



## Andrew Marr: A fine line for democracy

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## Bridget Jones finds love in a Bangkok jail

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# THE INDEPENDENT

3,088

WEDNESDAY 11 SEPTEMBER 1996

WEATHER: Bright start, rain later

40p (UK 45p)

## Swiss asked: 'Where is that stolen gold?'

CHARLIE BAIN  
and LOUISE JURY

Jan Kornhauser was a Jewish businessman who ran a successful jewellers shop in Krakow, southern Poland, in the 1930s. In the winter of 1940 the Nazis raided his store and "confiscated" his stock, including thousands of pounds worth of gold bullion, diamonds and crafted jewellery. He fled to Switzerland and died in 1964.

Fifty-six years on, his grandson, Sebastian Kornhauser, is attempting to recover his grandfather's property which he claims is "rightfully" his. "I don't know exactly how much the Nazis took, but I know from what my grandmother and my grandfather's business associates have told me that he was a very rich man. After all, he was the first man in Poland to have a telephone."

Mr Kornhauser could now have the British government helping to fight his corner. Malcolm Rifkind, the Foreign Secretary, is to put pressure on the Swiss government to explain what happened to gold looted by the Nazis and will raise the missing billions with Swiss foreign minister Flavio Cotti next week.

Papers emerging from America in recent weeks, had shown estimates of up to \$400m of Nazi gold held in Swiss accounts at the end of World War Two.

But a Foreign and Commonwealth memorandum released by the Government yesterday showed that a Swiss negotiator at the end of the war inadvertently revealed that \$500m worth - \$6.5bn at today's prices - was in Swiss banks when the Third Reich was defeated, although the Swiss were adamant it was not "tainted".

The Nazis also hoarded huge



Treasure hunt: Sebastian Kornhauser, who is trying to recover family gold stolen by the Nazis. He may soon have the help of the British government. Photograph: Tom Pilsten

sums in other neutral states including Portugal, Sweden and Spain, suggesting that overall the hidden treasure must have been much higher than the \$500m - \$7bn at today's prices - estimated by the Allies.

Although the Foreign Office yesterday insisted all this information had been in public archives since 1972, it was welcomed by Jewish groups who have been fighting for the release of papers which they hope will assist them in reclaiming some of the stolen wealth.

Greville Janner MP, vice-president of the World Jewish Congress and chairman of the Holocaust Educational Trust, said there were many outstanding questions. "But the trail is opening up. Rivers of gold flowed out of Nazi Germany. Its banks were in Switzer-

land. The economic climate has changed since 1947. Europe no longer needs to sacrifice moral choices to the urgent demands of economic reconstruction. Switzerland now has a moral obligation to think again about restoring gold reserves, now worth billions, to the countries and to the victims of their families from which they were seized."

He said they could not accept that the agreements signed at the end of the war should stand when they took no account of who the money being redistributed had been stolen from. Some of the German gold was originally private Jewish wealth, he said.

Millions of pounds are still held in the Bank of England and the federal reserve in New York in the name of the Tripartite

(Allies) Gold Commission to be redistributed to the governments whose funds were looted by the Nazis.

The final restitution has been delayed because of the refusal by Albania, a potential beneficiary, to settle a compensation claim from the British Government for the mining of the Corfu channel in 1946 which destroyed a Royal Navy warship. However, a settlement is expected soon.

Robert Reich, of the Swiss embassy in London, said his government would examine the Foreign Office document. He said the Swiss parliament was already bringing in legislation to enable the opening up of accounts to assist investigations and they were now willing to establish as accurately as possible after 50 years what had hap-

pened to the Nazi gold and to the accounts of individual Jews who died in the Holocaust. "If new elements come up, I think the flexibility is there to do something about it," he said.

All of which may be of some comfort to Mr Kornhauser who, with the help of his lawyer, Hans Marcus, is trying to trace a number of bank accounts in Switzerland where his grandfather deposited a significant portion for safe keeping before the Nazis invaded Poland in 1939.

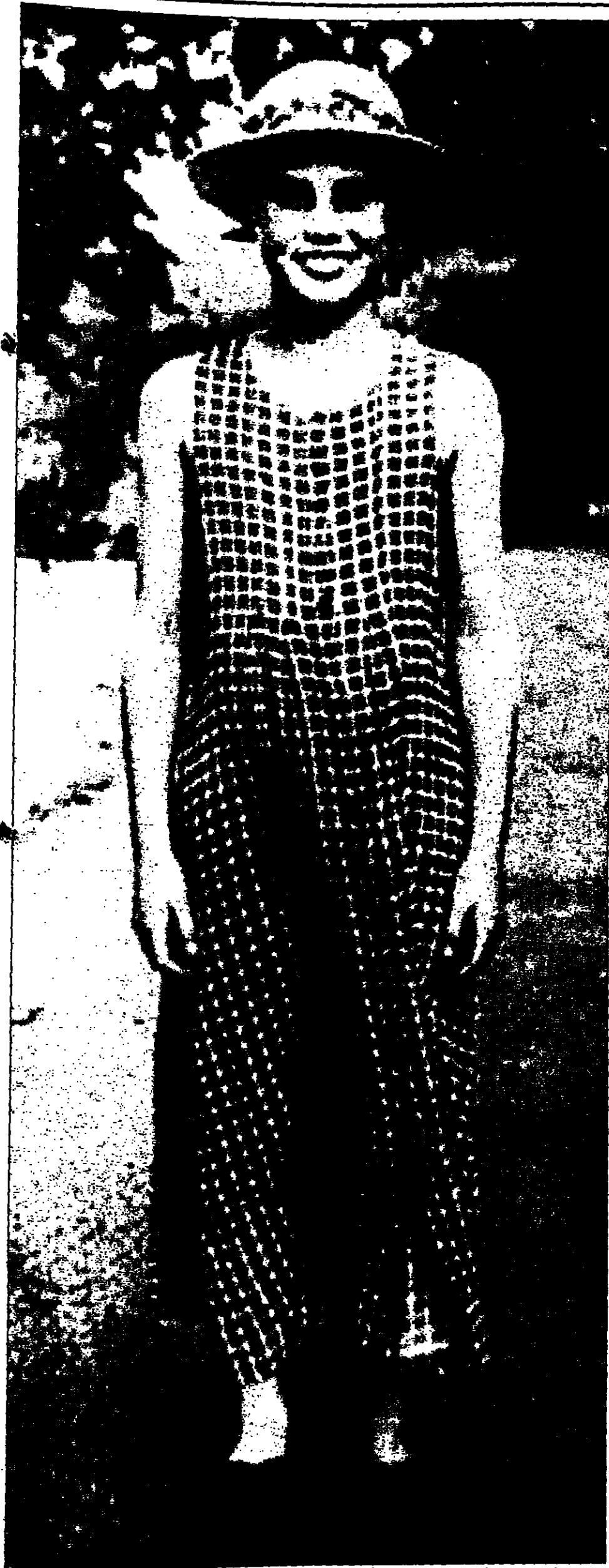
"To the best of my knowledge this property is still in the Swiss bank accounts, because strangely my grandfather never recovered them," said Sebastian.

"And as far as the rest of his assets are concerned, I'm convinced the Germans transported them back to Germany to deposit them in a number of bank accounts in Berlin. This seems like the only logical conclusion. I realised that gathering all the information and documents which prove that this was my grandfather's property will be a lengthy procedure and may have to go to the courts, but it has to be done. I want returned what rightfully belongs to my family."

His case was significantly helped earlier this year when on the 1 June the Swiss Bankers' Association made it possible for victims of the Nazi regime to make formal inquiries into looted and stolen assets. If Sebastian can collate the relevant information he may one day be able to recover what went missing from his grandfather's jewellers shop.

"Before it has always been difficult, because the Swiss have been reluctant to give out any information. But in the light of what has happened in England over the last few days I am very, very optimistic," he said.

Swiss off the hook, page 2



Josephine Russell, nine, is now able to speak despite severe injuries from the attack

## She remembers Girl battered by killer aids police

JASON BENNETTO  
Crime Correspondent

A nine-year-old girl who was left for dead after a frenzied attack in which her mother and sister were murdered more than two months ago is helping the police hunting the killer.

Police had feared that Josephine Russell would never be able to recall the events because of her severe head injuries but she has now begun to speak to them. Officers are using a special interview method to coax information from her.

Josephine, her mother Lin,

45, and sister Megan, six, were set upon in a lane near Chilenden, Kent. All three were battered by a weapon, thought to be a hammer. The family dog was also killed.

Two police officers using a technique developed by speech therapists and child psychologists which involves short questions and sign language have been interviewing Josephine at her home since Sunday.

There were fears that brain damage would prevent her talking again but she is gradually regaining her voice. She has given the police new leads.

Her father, Dr Shaun Russell, said she was beginning to show anxiety as her memories returned. "When she was in hospital and couldn't remember anything she was more or less constantly happy," he said. "But

as she has remembered more and more her happiness has decreased and periods of anxiety have increased." However, she was eager to help the police, Dr Russell said.

Detective Chief Inspector Dave Stevens said: "We have devised a method of communicating with Josephine. Long sentences are not possible but over a period of weeks we have been going back over her life and personal details."

"It is obvious that Josephine has a clear memory about the attack and she has already provided us with information that backs up the description of a man seen near the murder scene and other details."

"There is only one eye-witness to these murders. Josephine's memories and evidence could be crucial."

## Security services accused of set-up

TIM MCGIRK and  
CHRIS BELLAMY

A British ex-military officer imprisoned in India has accused the Ministry of Defence of leaving him to face charges of arms smuggling when he was actually helping British and Indian intelligence.

In a case reminiscent of the Matrix Churchill affair, Peter Bleach, a 44-year-old Yorkshireman, is to be tried for treason in Calcutta even though he played a key role in helping foil an arms delivery parachuted to Hindu extremists last year. "The entire operation should have been a perfect trap for the terrorists. Instead, everybody of any importance was allowed to escape," said Mr Bleach. "I think that the police are setting me up to take the consequences."

Mr Bleach was arrested along with a Latvian crew last December and accused of having air-dropped three crates of arms to be used in an insurrection in West Bengal state. But *The Independent* has learned that Mr Bleach had earlier tipped off the MoD about the plot. His trial is due to start in several weeks, and he could face a death penalty in India if convicted.

The case has clear echoes of the Matrix Churchill affair in which British businessmen were charged with supplying arms to Iraq, even though they had been helping British intelligence.

The MoD last night referred all queries to the Foreign Office, which said it was treating Mr Bleach just like any other Briton imprisoned abroad.

## Blair faces TUC storm of protest

BARRIE CLEMENT  
Labour Editor

In defiance of pleas from Tony Blair, postal workers yesterday called fresh and more damaging strikes as the two wings of the Labour movement clashed over the party's plans to make industrial action more difficult.

Mr Blair walked into a storm of criticism at the Trades Union Congress in Blackpool last night over his strategy for curbing industrial action.

As Mr Blair dined with TUC leaders, David Blunkett, Labour's employment spokesman, also in Blackpool, set out the proposals which would put arbitration at centre stage of the strategy. These were denounced as "union-bashing".

Overshadowing the Labour front bench's visit to Blackpool, however, was the Communications Workers' Union's announcement of 24-hour walkouts from 7pm on Friday 20 September and from 10pm on Sunday 22 September.

The timing of the stoppages means that disruption will spread over four days, escalating the dispute. Union officials said it could take up to 10 days to clear the post backlog and warned that the new disruption was a "precursor to a further range of strike action" aimed at bringing the conflict to a head.

More than 5,000 Post Office engineers may also be balloted on walkouts, the CWU warned.

In response to the postal workers' decision, the Government ordered a three-month suspension of the Royal Mail's letters monopoly which could severely undermine its business. A one-month suspension ended last week after eight strikes.

Better news for the Labour leadership came when the RMT transport union called off day-long strikes at three of the seven train operating companies scheduled for today. Guards and catering staff at Cross-Country Trains, North London Railways and MerseyRail Electric will be working normally, while walkouts will still take place at Regional Railways North East, North West Regional Railways, ScotRail and South Wales and West Railway.

EU jobs warning, page 2

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### QUICKLY

**Hackney in disarray**  
The political "cess-pit" of Hackney blew open yesterday when 18 Labour councillors quit the controlling party group and left the council in disarray. Page 2

**Graham gets Leeds**  
George Graham, the former Arsenal manager, was yesterday named manager of Leeds Utd, the day after the sacking of Howard Wilkinson. Page 26



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# Labour rift over abuse 'cover-up'

ANTHONY BEVINS  
Political Editor

The political "cess-pit" of Hackney blew open yesterday when 18 Labour councillors quit the controlling party group and left the council in disarray.

The mass resignation, which wipes out the Labour majority in the east London borough for the first time in 25 years, was made in "protest over the continued cover-up of a child-abuse scandal".

The dispute centres on the case of a former Hackney child-

care worker, Mark Trotter, who was on the point of being arrested on charges relating to paedophilia when he died of an AIDS-related illness.

There were allegations that, because Mr Trotter was a local Labour activist, Hackney covered up the case rather than trace children who might have been abused.

Rebel Labour councillors called for an independent inquiry into the case and, though the local Labour leadership agreed to set up a properly constituted investigation, those

councillors allege they were threatened with "gagging" disciplinary action for ignoring party procedures in cases of criminal allegations.

But with Conservative Party headquarters piling in to highlight acute embarrassment over the affair among the national Labour Party, Terry Ashon, general secretary of the Greater London Labour Party, said:

"These councillors have failed the people who elected them."

He denied there had been any attempt to gag them, and added: "They are playing the

worst sort of politics with the Mark Trotter affair."

It was agreed at a party group meeting on Monday night, attended by some of yesterday's resigning rebels, that a motion for an inquiry should be debated at a council meeting tonight.

The group also agreed that the motion's wording should first be checked by the office of Hackney's chief executive and the Government's social services inspectorate to ensure that it was "completely water-tight".

One local party source - not involved in the long-standing inter-ethnic civil war being fought out within the Hackney council group - said last night: "Hackney is a political cess-pit which cannot be saved until after the next local elections."

Meanwhile, however, the Conservatives will exploit the disarray as evidence that a Tony Blair government might be tarred with the Hackney brush.

Eric Pickles, Tory party vice-chairman, said Labour's attitude to the abuse claims was disgraceful.

He pointed out that the Labour rebels had been calling for an inquiry and added: "Incredibly, the Labour leadership's response was to threaten disciplinary action against the councillors because of their demand for an inquiry."

"It is time to discover why Hackney ignored several warnings over a period of 12 years, concerning the employment of this man."

"Attempting to muzzle their own councillors and to deny full scrutiny of the facts will only add to the public's legitimate fears."

## Allies allowed Swiss to keep Nazi gold loot

It was Mr Hirs of the Swiss National Bank who gave the first hint of the Nazi-looted riches contained in the heavily guarded vaults of Switzerland. In negotiations at the end of the war, Mr Hirs and the Swiss delegation declared themselves innocent of having accepted any tainted gold. But when Mr Vaidie, the French delegate, produced documents showing how the German Reichsbank melted down Belgian gold, changed the numbers on the ingots and shipped most of it to Switzerland, Mr Hirs was rattled.

In his consternation that the Allies really might lay claim to all the wealth which had landed in his safe-keeping from Germany, he let slip just how much was at stake - \$500m, worth perhaps \$6.5bn (£4.3bn) at today's prices and twice the amount of gold reserves Germany might have owned legitimately. The US estimate of Nazi stocks at the time was approximately \$200m. Yet only \$60m (\$825m) was ever handed over by Switzerland.

As revealed in the documents released by the Government yesterday, the US, Britain and France were forced to accept that they had "struck the best deal possible... and \$625m was a lot better than nothing".

As the Treasury made clear in response to complaints from Czechoslovakia that the Swiss were let off lightly, "no arguments of Allied rights could move the unalterable attitude of the Swiss that there was no legal basis which they would admit as conveying an Allied right to German assets in Switzerland".

It was not a view shared since. There are many points of contention, not least that Britain was too concerned about its post-war trading position to pursue neutral countries properly. (Portugal, Sweden and Spain all dealt with smaller Nazi hoards). The Americans wanted to threaten sanctions if the neutral countries would not co-operate.

Documents reveal British knew of German assets, writes Louise Jury

More seriously, Greville Janner and his colleagues at the Holocaust Educational Trust and World Jewish Congress are angry that the Allies decided it would be impossible to trace what proportion of the gold processed through Switzerland came from private individuals.

The Tripartite (Allies) Gold Commission, set up to regain the looted gold, dealt with national gold reserves not individual wealth. It aimed at excluding any private claims for restitution because the total number might have run into "many thousands".

Yet, Mr Janner believes, among the German ingots which found their way to Switzerland must have been those made from melted down jewellery belonging to Jews and the gold tooth fillings extracted from concentration camp inmates.

It was known that not all the German gold could be accounted for legitimately. Bank of England intelligence showed that by March 1943, Germany had already sold more gold than she had possessed in 1939. As the Foreign Office report highlighted yesterday: "Any further purchases must necessarily have been made with looted gold."

In producing its 23-page memorandum yesterday, the Foreign and Commonwealth Office stressed that all the information it had been available in public archives since 1972. But only six weeks ago, Malcolm Rifkind, the Foreign Secretary, made no mention of it when replying to earlier inquiries by Mr Janner.

Many questions remain unanswered - such as whether any of the gold and other valuables stolen from individuals ended up in the Tripartite Gold Commission funds.



Coming up trumps: A giant Labour Party card dominating business at the TUC in Blackpool yesterday. Photograph: PA

## Unions see jobs threat in greater European union

Union leaders yesterday called for measures that would guarantee employment levels in the face of closer European union.

In a marked departure from the unions' previously enthusiastic pro-European stance, John Edmunds the general secretary of the GMB, said existing convergence criteria set out in the Maastricht treaty could drive Europe backwards into recession and force unemployment levels upwards.

The TUC's general secretary John Monks supported Mr Edmunds. He told the second day of the TUC conference in

TUC warns on the effects of moving to a single currency. Jojo Moyes reports

Blackpool: "The great weakness of the European treaties is that they say so little about jobs. That is why we wholeheartedly support the Swedish proposal that an employment chapter be added to the treaties."

"We need to make it abundantly and transparently clear that Europe is also committed to full employment for all of its people," he said. Mr Monks criticised the Conservative government for agreeing to a timetable which promised to fully implement a single currency within six years without properly preparing the country. "In our opinion the British government should try very hard to slow down the single currency timetable."

If it went ahead the UK would be "between a rock and a hard place". But he said that of all the choices available, including staying out or "shadowing" the single currency, going in to monetary union was the only realistic option.

The speech in effect reversed the pro-European position taken by unions since the late 1980s. Although traditionally much of the trade union movement campaigned against greater European union, its favourable employment policies had swung unions to a determinedly pro-European stance since 1988.

Bill Morris, general secretary of the TGWU, called for a referendum as part of an "informed debate" on the subject of greater union. "All over Europe, the results of the convergence criteria for single currency are coming home to roost. In France, Germany, Italy, the results are the same. Cuts in public services. Cuts in social benefits. Cuts in jobs," Mr Morris said. Hand in hand with a debate, he said, must be "tangible evidence of job-creating measures."

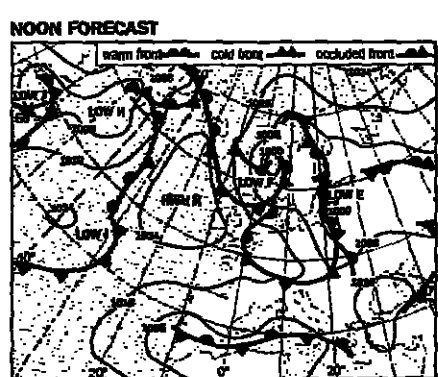
Clive Brooke, general secretary of the PTC, said the union had serious concerns about the convergence criteria and called for a Common Jobs policy

backed up by job creation funds.

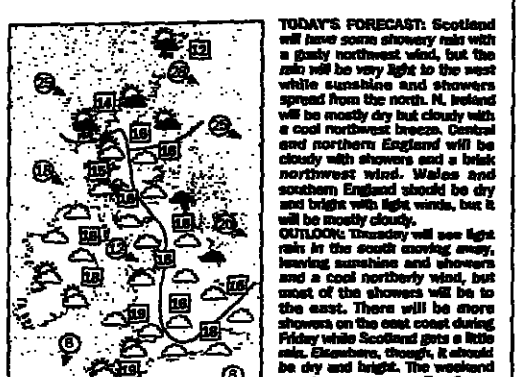
Ken Jackson, leader of the AEEU, warned the Government that it should either come to terms with Britain's membership of the EU, or leave.

The finance union BIFU yesterday announced the setting up of a European Works Council with Hongkong and Shanghai Bank - Britain's most profitable company, which includes the Midland bank.

### Weather forecast



High 11 is almost stationary but continues to decline. Low 8 is moving east, but Low 1 is fast south-east, dropping.



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Location	Temp	Wind	Cloud	Pressure
London	14.5	10	100	1015
Birmingham	14.0	10	100	1015
Manchester	13.5	10	100	1015
Edinburgh	13.0	10	100	1015
Belfast	12.5	10	100	1015
Cardiff	12.0	10	100	1015
Glasgow	11.5	10	100	1015
Newcastle	11.0	10	100	1015
Sheffield	10.5	10	100	1015
Nottingham	10.0	10	100	1015
Leeds	9.5	10	100	1015
York	9.0	10	100	1015
London	14.5	10	100	1015
Birmingham	14.0	10	100	1015
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## Thatcher denies 'creepy' Blair jibe

ANTHONY BEVINS

A bizarre allegation that Baroness Thatcher had been driven back into the arms of John Major because she found Tony Blair "creepy" was repudiated by sources close to the former Prime Minister last night.

As part of an increasing trend towards selective briefing of Tory newspapers by Conservative spin-doctors, the Sun yesterday carried an "exclusive" report saying: "Lady Thatcher has vowed to end her private war with John Major - because she finds Tony Blair 'creepy'."

It added: "The Iron Lady has agreed to become a secret election weapon by carrying out her own mini-tour of Britain."

"Friends say she is determined to keep Tony Blair out of Downing Street because she is 'repulsed' at the way he has praised her recently."

But last night a source close to Mrs Thatcher volunteered an outright denial of the report. He

said it was not her style to be abusive, she had not abused Mr Blair in such a way, and she regarded Mr Blair as someone with "many admirable qualities".

The Sun also revealed that Lady Thatcher would endorse and support Mr Major's campaign for the re-election of a Conservative Government; a point echoed in a Daily Mail report yesterday.

That, as Lady Thatcher's friend told The Independent, was hardly surprising. But the revelation follows an equally bizarre report in The Guardian recently, suggesting that she was preparing to cut her ties with the Conservatives and support Sir James Goldsmith's Referendum Party.

Conservative Central Office has been working hard to ensure that Lady Thatcher, and other potential threats like John Redwood, is brought back on side for an essential display of unity in the run-up to next year's election.

## SIGNIFICANT SHORTS

Fringe loyalists are set to stay in the Ulster peace talks after yesterday appearing to have secured widespread support for their efforts to resist the Rev Ian Paisley's attempts to have them expelled. Both the Ulster Unionists and the nationalist SDLP signalled that they did not back Mr Paisley's plan to bar the Progressive Unionist Party and the Ulster Democratic Party from the talks.

While the British and Irish governments are to give their views today, a statement from the parties rejected the use of violence. They said that while they offered political advice to paramilitary groups and where possible exerted influence on them, they had no authority over paramilitary activities, concluding: "We resolutely oppose the use or threat of violence from whatever source," it said. David McCutcheon

Britain unlawfully banned Spanish trawlers from quota-hopping, the European Court of Justice said yesterday. The decision, which infuriated UK fishermen, will now lead to a multi-million pound compensation claim for loss of earnings by the fishermen.

The fisheries minister, Tony Baldry, promised to resist the claims and warned Britain would be seeking EU treaty changes to end quota-hopping, which enables foreign vessels to register in Britain and take part of the national quota catch. A High Court hearing has been set for next summer.

A hospital has admitted "serious deficiencies" in its gynaecology department linked to the deaths of two women who underwent routine operations. A review was ordered at Grimsby Hospital following 13 complaints over 20 years against Michael Muldoon, a now-retired consultant gynaecologist and obstetrician.

The review, which yesterday made 51 recommendations for improving the department, said that the death of Kay Hallberg, 40, could have been avoided, and that in the case of another patient, Carol Richardson, 35, Mr Muldoon "should have received further training in the surgical technique before undertaking it on his own." Liz Hunt

A businessman who shot dead his wife had been legally allowed to keep an arsenal of weapons, the Old Bailey was told yesterday. Despite suffering a mental breakdown, David Wells, 49, of Stamford Hill, north London, had certificates for 18 guns, including shotguns and handguns.

Wells, who was jailed for five years for manslaughter, twice attacked his wife Judith, 43, believing she was having an affair, in the months leading up to the killing last January. But the licensing authorities were never notified and no steps were taken to revoke the licences.

Great Ormond Street hospital is to be sued after a six-year-old girl died as a result of medical intervention her parents had not given their consent to.

At St Pancras Coroners Court yesterday, a coroner recorded a verdict of death by misadventure on Deborah Jenkins who was born with a heart defect. She died when a balloon being used in a catheter burst during an exploratory operation, cutting off the blood supply to her brain.

Her father, Ross, of Sprowston, Norfolk, said: "I don't care what it costs me. If I have to sell everything, they are not going to get away with [it]." Glenda Cooper

Police are trying to re-unite a disabled man with his missing artificial leg after a milkman found the false limb on his rounds in Stamford, Lincolnshire. Police said a one-legged man had been seen in the area about 90 minutes earlier. "A person who fits the description of the loser was seen at about 3.30, possibly confused, looking for the leg," said a spokesman. "He obviously has not found it and we have it at the police station in Stamford."

### THE INDEPENDENT ABROAD

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Canada	£4.40	Italy	£4.40
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Finland	£4.40	Spain	£4.40
France	£5.00	Sweden	£4.40
Germany	£4.40	Switzerland	£4.40
Italy	£4.40	USA	£3.00
Japan	£4.40		
Spain	£4.40		
Sweden	£4.40		
Switzerland	£4.40		
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# BT starts new price war with £214m off call costs

But consumer groups say the reduction is not big enough, Chris Godsmark reports

A new phase in a telephone price war began yesterday with the announcement by BT of cuts in national and international call charges worth £214m.

But the measures, which BT has to make to comply with price controls from the telephone watchdog, Ofcom, were attacked by consumer groups as insufficient.

From 8 October, BT will cut 20 per cent off the cost of weekday evening trunk calls (those over a distance of 35 miles or more) and 10 per cent off all daytime trunk calls. The cost of a typical five-minute off-peak trunk call will fall from 29.1p to 23.3p.

There are also reductions in the cost of calls to some of the most popular international call destinations. A five-minute evening call to the USA or Canada drops from £1.90 to £1.41. The new cuts come on top of £35m-worth of reductions for international calls previously announced.

They mean the average quarterly BT phone bill will fall from £66.54 to £64.46, a saving of just over 3 per cent. BT said a transatlantic call was now cheaper than ringing Pezzenze was at the time of privatisation in 1984.

Last night a corresponding round of industry-wide price cuts was in prospect as some cable TV companies, which generally claim to offer substantial reductions over BT's call

charges in line with a five-year price cap set by Ofcom. The reductions must total £417m over the next 12 months. Yesterday's savings, which are on top of £70m of cuts already announced, mean a further £133m of price reductions are on the way, although BT declined to say where they would come.

However, there were no reductions in the price of local calls, which continue to cost 4p a minute during peak periods and 1p at weekends. Line-rental charges have been going up.

The main criticism of the current price cap has been that BT, which decides where to make the cuts, has been targeting reductions on the customers who spend most. People who mainly make local calls have seen the least benefit. From next year Ofcom will attempt to redress the balance with a tougher price cap, focused more directly on lower-spending households.

The National Consumer Council said BT had "singularly failed" to offer flexible payment packages and had failed to cut the cost of local calls, which were most important for the vast majority of customers.

Behind the current round of reductions lies increasingly cut-throat competition in international calls, driven by new technology. A bewildering array of rival companies aims to undercut BT in the congested transatlantic market. Fibre-optic cables, which in theory can

Record companies sound off as BBC pitches pop against 'Coronation Street'



Rock on: Clockwise, from top left: Jimmy Savile presenting the first TOTP in 1964; dance troupe Pans People in 1975; Dutch television star Bear Van Beers guest presenting the show this year; Cat Stevens, Cliff Richard and Mickey Dolenz of the Monkees with presenter Samantha Juste in 1967; and boxer Prince Naseem Hamed branching out into rap

## Discord over TOTP's switch to Fridays

DAVID LISTER  
Arts News Editor

Record companies have accused the BBC of damaging the music industry by moving *Top of the Pops* from Thursday to Friday and putting it in the same time slot as ITV's *Coronation Street*.

The chairman of the biggest record labels have written to the BBC calling for the show to move back to the Thursday night slot it had occupied since 1965. The record companies fear that a reduced audience for *Top of the Pops* will damage record sales, and in the long term could cost the music industry millions.

Last Friday *Coronation Street* was

watched by 14 million people. Initial figures for *Top of the Pops* give it 5.5 million. When it was on a Thursday *Top of the Pops* regularly won just under 7m viewers.

The BBC switched it to Fridays this summer because of the heavy sports schedule. But the decision to keep it there as an alternative to *Coronation Street*, albeit with a repeat of *Top of the Pops* going out on Saturday mornings, has baffled the music industry.

In a thinly veiled threat to the BBC Paul Burger, chairman of Sony, whose artists include Michael Jackson, Oasis and Bruce Springsteen, said: "I believe these are some of the most dramatic and detrimental changes in

the history of the relationship between the BBC and the record industry.

"Over the past year we have spent half a million pounds supporting *TOTP*, half of which is in setting up satellites and overseas transmissions to tie in with the programme. I don't intend to continue that level of support."

"It is disconcerting that the national heritage secretary has asked how the Government can be supportive of the music industry, then something like this happens. Considering the BBC is a state broadcasting company, it might have consulted the music industry first."

The fact that the record companies pour resources into the show, and that

this could yet prove a bargaining counter, was emphasised yesterday by Peter Scapling, secretary general of the British Phonographic Industry, which represents the record companies. He said: "The record companies help this show considerably; they deliver the artists, and it's fair to say they are becoming very concerned."

The dismay was echoed by other leading figures in the industry. Rob Dickins, chairman of Warner Music, said: "We have supported the show and it has grown up as an institution because of the fact that it has a fantastic time slot." Howard Berman, managing director of Mercury record company, told the music industry's

trade magazine, *Music Week*: "The move defies logic. If you were an alien visiting earth and you watched British TV, you would have no idea of the importance of the UK music industry to the country."

Sources within the BBC say that the corporation does not really believe that *TOTP* can mount a ratings challenge to *Coronation Street*; but it could provide "an alternative" for viewers.

A BBC spokeswoman said: "The record companies are used to it being on a Thursday, but they should wait and see before condemning the move to Fridays. We know we can get 5.6m viewers, and we know that *Top of the Pops* has a very strong, loyal following."

### Rivals have all kinds of deal

So many phone companies are now competing with BT that the biggest problem for those trying to compare prices is finding the time to gather all the information.

BT customers can join a number of discount schemes. Under the Friends and Family offer, promoted in television advertisements featuring Bob Hoskins, call charges to five nominated numbers are reduced by 10 per cent.

Another scheme, PremierLine, targeted at higher-spending households, knocks 15 per cent off all calls for an annual charge of £24. Small business can also join a number of discount schemes. This year BT could spend as much as £180m on advertising to get its message across.

But cable operators still claim to be substantially cheaper than BT for those with average bills. Some offer free local calls if the number dialled is also with the cable company. The general rule is that the higher the cost of the call, the bigger the competition and the greater the choice for consumers.

In the international market Mercury claims it is still cheaper than BT, despite the latest price cuts. A five-minute weekend call to the US costs £1.02 on Mercury, against £1.31 for BT. Including all the possible discounts from both companies, Mercury comes out 1p cheaper.

The biggest threat to established operators comes from smaller "resale" companies which buy line capacity wholesale and sell it at a discount.

Swiftcall, based in Dublin, charges 10p a minute for off-peak calls to the US and 20p for peak-time calls, undercutting BT by around a half. Most worryingly for BT, research suggests that resale companies such as Swiftcall can still make attractive profits.

charges, pledged to maintain their claimed price advantage. Nymex, one of the biggest cable companies, said it would continue to offer a service that was on average 25 per cent cheaper than BT's.

Telephones analysts said the price war would hurt the cable operators most. "It's obviously bad news for cable companies because they're going to have to cut prices as well - they advertise on the basis that they're cheaper than BT," Jim McCafferty, from the stockbrokers Hoare Govett, said.

Despite a predictable future from BT Ofcom, the industry regulator, was unimpressed by the price cuts. "They're just complying with their price cap," a spokesman said. "They've got to do it. It's not out of the goodness of their own heart."

BT has to cut a basket of

carry an almost limitless number of calls, have reduced the cost massively over the past 10 years.

BT, which is on course to make profits of more than £5bn this year, says that it still faces huge costs in the international phone business. A spokesman said a large proportion of the cost of an overseas call went to the foreign telephone company involved.

Experts said that despite all the recent price cuts, BT still stood to increase its profits. "The price paid by the consumer is still substantially higher than the cost to the phone company of transmitting the call," Paul Lee, from the consultancy firm, Ovum, said. "The drop in international call charges is not keeping pace with the fall in this underlying cost."

Business comment, page 19

## When the road takes charge of the driver

NICHOLAS SCHOON

It is 2020. You are driving on a motorway and you are no longer in control. Your speed is governed by an electronic "cruise-control" system which keeps you and your fellow drivers in convoy at the same speed. Signals transmitted from cables in the road control your speed and steering, while on-board radar in your vehicle ensures you keep your distance.

This was part of the motorway future outlined by the chairman of Jaguar Cars, Nick Scheele, in a speech to the British Association yesterday. In 25 years' time, drivers would be unable even to start their cars if they have drunk any more than a small amount of alcohol, Mr Scheele said. A sensor would detect the raised ethanol level in the cabin air and immobilise the engine.

Mr Scheele forecast intervals of 100,000 miles between services, mobile telephones which would also serve as "portable travel assistants" and speech-

recognising computers to adjust the seat and mirrors to the driver's favourite position.

"It seems utopian but it isn't," he said. "We're just 24 years away from this becoming a reality." The portable travel assistant would act as a navigator, using global positioning satellites to show where the car was on a map screen on the dashboard.

It could also obtain information about current and imminent congestion on potential routes and the best roads to take, give local weather forecasts and book parking spaces.

Taking control away from individual drivers on motorways would reduce congestion and stop-start driving, while increasing their capacity. Mr Scheele forecast that almost all cars would have remote-control facilities by 2020, because those which did not would not be allowed on main highways.

Mr Scheele, who has been with Jaguar's owners, Ford, for his entire career, also favoured charging drivers to

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## Co-op Bank launches cheapest credit card

CLIFFORD GERMAN

The cost of consumer credit looks set to plunge after the Co-operative Bank yesterday launched Advantage Visa, the cheapest credit card yet available.

It will also be cheaper than most other conventional ways of borrowing, including bank overdrafts, personal loans and hire purchase, and its launch will in-

tensify the growing price war between credit card suppliers and could encourage a further surge in consumer spending.

The card is aimed specifically at millions of adults who regularly use their plastic as a source of credit as well as a convenient way of paying for goods and services.

Interest is charged from the day the card is used until the balance is paid. As such it is no use

at all for three quarters of cardholders who normally take advantage of up to 56 days' free credit available on traditional cards if the monthly accounts are paid in full and on time.

But Advantage Visa cardholders will pay no annual fee, compared with £12 a year on a conventional Barclaycard, and the interest rate charged will be just 7.9 per cent APR (annual percentage rate) until next

April. It will then rise to 10.9 per cent APR but it will still undercut the two existing no-fee free-credit cards currently on the market. Save & Prosper charges 11.2 per cent and Royal Bank of Scotland 14.5 per cent APR.

It is cheaper than the People's Bank of Connecticut which offers free credit on prompt payments but charges 14.4 per cent if credit balances are not paid

off in full each month. It is substantially cheaper than conventional cards like Barclaycard/Visa and Access/Mastercard, which charge 22.5 per cent on balances not paid off on the due date each month. Banks currently charge a minimum 10 per cent on agreed overdrafts and up to 30 per cent on accounts which go into the red without prior permission.

JAVI 100 1350

British Association for the Advancement of Science: Gloomy view of the effect of national curriculum, and a reprimand for slouchers

# Testing fails to improve 3Rs in primary schools

NICHOLAS SCHOON

Reading, writing and mathematics have not improved and standards may actually have declined in primary school children in the seven years since the introduction of the national curriculum and testing, a professor maintained yesterday.

The gloomy view given at the British Association conference in Birmingham by Robert Campbell, director of education studies at Warwick University, was endorsed by Chris Woodhead, the Government's chief schools inspector. "I think that judgement is about right - we don't have any evidence of rising standards since 1988," Mr Woodhead told a session on primary education.

Professor Campbell said that the Government and society were unable to say, with any certainty, what the trends were in the levels of attainment of younger pupils. He said the national testing results could not be compared from year to year, and earlier this year Gillian Shepherd, Secretary of State for Education and Employment, had begun consulting on a further reform of the testing system to make them more standardised and comparable.

The Government had made a grave mistake in 1990 by shutting down the Assessment of Performance Unit, a civil service

body set up in the Seventies to provide reliable facts and figures on how pupils were doing, the professor believed. School inspections provided information about the quality of teaching, but were much less use in measuring pupils' attainment, let alone their progress.

Professor Campbell reviewed the evidence from several studies and concluded that the decline in mathematics attainment seen in the Eighties had probably continued into the Nineties. In reading, there was no justification for the view of a crisis in standards and teaching of it was

"at least moderately effective in 80 per cent of schools", but there was no solid evidence of any improvement since the introduction of the national curriculum.

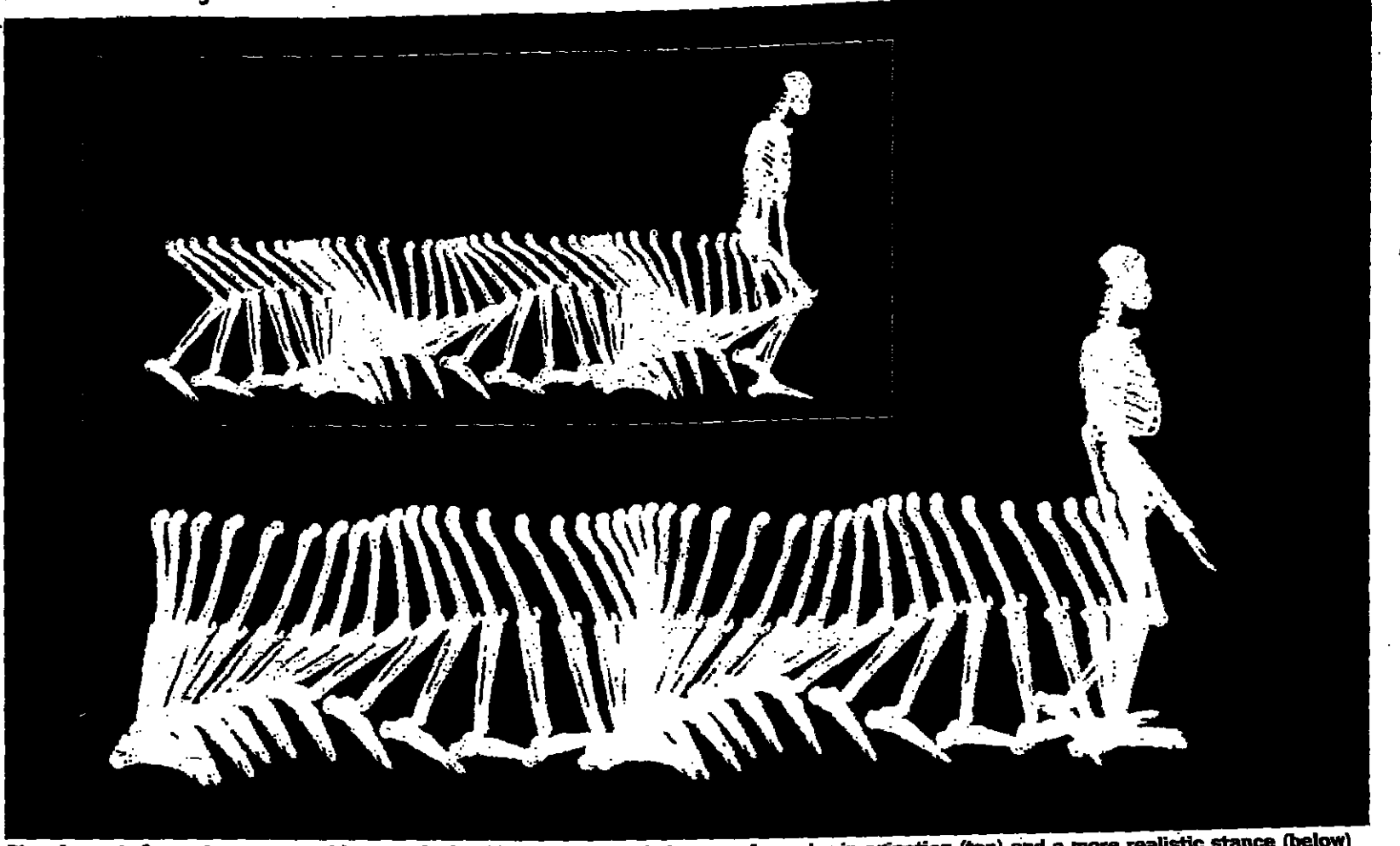
He called for the re-establishment of a national monitoring unit to conduct regular and objective surveys of primary school standards. "It could be done for a minute fraction of the £34m a year currently spent on national testing," he said.

Professor Campbell also advocated nationally developed textbooks approved by the national curriculum agency. Now, schools choose entirely from what the free market offers. "There would be some ideological difficulties, especially in history, but a major advantage would be that everyone, teachers, pupils and most importantly parents, would know what was expected to be learnt and in what time scale," he said.

Mr Woodhead said the chief priority was to change the "ideological content" in which teachers thought. Their prime duty was to ensure that every child acquired a certain body of skills, knowledge and understanding which they were entitled to, rather than seeing themselves as facilitators who helped pupils learn what suited them - but too few of them saw things that way. He said he was engaged in "looking into the professional mind and heart" of teachers.



Woodhead: 'No evidence of rising standards'



Stepping out: Computer-generated images depict the slouching early human of popular imagination (top) and a more realistic stance (below)

## Our ancestors were such an upright lot

CHARLES ARTHUR

Parents now have two more reasons for telling their children not to slouch when they walk: our ancestors never did and it uses twice as much energy as walking upright.

Early humans walked upright as soon as they left the trees and never slouched, or dragged their knuckles, as artists often depict them. The

findings, announced yesterday, overturn previous theories on evolution. Our ancestors must have learnt to stand on two feet while still in the trees - "probably to gather fruit or for foraging," said Robin Crompton, of the University of Liverpool.

*Homo sapiens* could not have survived on the ground by slouching, because it would use too much energy: "You either walk erect, or you're extinct."

His work also pushes back the time when human ancestors learnt to walk by "a couple of million years", to as much as six million years ago.

Dr Crompton built a three-dimensional computer model of the human body and programming it to "walk" on two legs. His team looked at forces exerted on the ground by the foot during walking and compared them with those exerted by a

real human in tests. This led to a "very, very accurate" computer model which can also show the forces that muscles put on the joints of the legs.

The scientists then substituted into the model the proportions of "Lucy", the oldest known human ancestor, whose 3.6-million-year-old skeleton was found in the Rift Valley, in Africa, in the 1980s. They then tried to make it walk like a chimpanzee, with a slouch, and then upright like a human.

"When we asked the model to walk like a chimpanzee, it fell over repeatedly, showing that Lucy's proportions are totally incompatible with the way real chimpanzees walk," said Dr Crompton. "It is thus impossible that Lucy could have walked like this." But when they told the Lucy model to walk upright, it succeeded.

## Nasa's life on Mars claim dismissed as so much fool's gold

CHARLES ARTHUR  
Science Editor

A row broke out yesterday among leading scientists in Britain and the United States after research claimed that a meteorite from Mars did not prove that there had been life on the planet.

The paper, published in a prestigious journal concerning

the chemistry of rocks and meteorites, examined the ratio of different isotopes of residues of iron sulphide, more commonly known as "fool's gold", in the meteorite ALH84001, which came from Mars about 4 billion years ago. Last month, NASA scientists announced that they believed they had found signs of past life buried deep within ALH84001.

In the paper, a team of scientists from the University of New Mexico said that the ratio of isotopes was too small to indicate biological activity. Different isotopes of the same chemical have fractionally different weights, and geological processes, such as fluids washing over a rock for a long period, filter them slowly. Normally, living organisms

create a large ratio of isotopes - up to a factor of 80 - because they act as more efficient filters. The New Mexico team only found a ratio of three.

But Monica Grady, an expert in meteorites at the Natural History Museum, said the result does not invalidate the NASA work. "It could be caused by life on Mars which is not as we know it," she said.

"This paper, while interesting, tells us about fluids that pulsed through this rock, but not a lot about life on Mars."

The paper was submitted to the journal *Geochimica et Cosmochimica Acta*, published in Oxford, in February which means that the New Mexico scientists were not aware of the NASA research when they did their examination. The com-

ment on the apparent lack of biological activity was added at a very late stage.

NASA's conclusion that life might have existed on Mars 4 billion years ago was based on residues of carbonates which were discovered deep inside the meteorite, which was found in Antarctica in 1984. The NASA announcement was seen by some observers as an attempt to

garner publicity at a time when budgets for space expeditions were being cut. But the NASA scientists called for an independent analysis of their work to see if others agreed with it.

So far, there have been no publications based on examination of ALH84001 since the NASA announcement.

Dr Grady said: "This filtering process did occur on Mars

and the difference in sulphur isotopes doesn't suggest it was caused by biological activity. But it might be biological - life on Mars doesn't have to be the same as life on Earth."

Definitive answers will be impossible to provide, she said, until a space probe can visit the planet and bring back a sample.

This will probably not be possible for another 20 years.

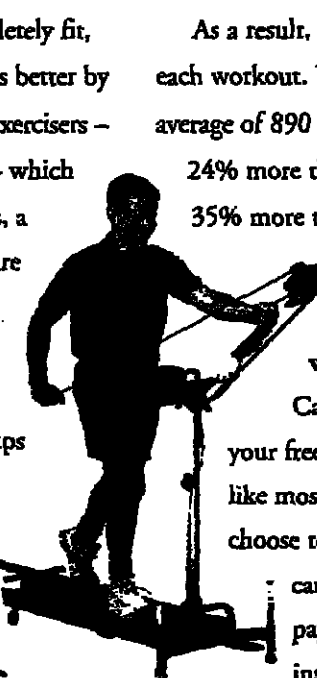
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# A trillion dollars in dirty money keeps island tax havens afloat

CHRIS BLACKHURST and  
CLARE GARNER

They have palm-fringed beaches, tiny populations, parasols, pina colodas - and more than \$1 trillion in dirty money stashed away in their bank accounts every year. These are the offshore tax havens of the world, many of which come under British sovereignty.

The staggering estimate of annual profits from organised crime came from M15's former top law official, David Bickford. Earlier this week Mr Bickford told a corruption conference in Cambridge that more than \$1 trillion was "generated by organised crime and laundered through offshore centres using secrecy laws".

John Moscov, the New York attorney who played a leading role in bringing down BCCI, pointed out that with the exception of Liechtenstein and Switzerland, the other leading destinations for laundered cash were virtually all British run or controlled.

The main offshore centres for residents of the United Kingdom are Jersey, Guernsey, the Isle of Man, and Bermuda. Other tax havens include the Cayman Is-

lands, Gibraltar and the British Virgin Islands.

Bill Tipton, director of Policy Studies at Exeter University, told the conference yesterday that the Channel Islands and the Isle of Man were foremost among the offshore centres into which drug barons, financial fraudsters and racketeers poured their profits, confident that they could not be touched. Such facilities, he said, had "no place in the contemporary Western banking system".

"To allow shady dealers to take advantage of what is essentially a medieval or colonial anomaly is either a demonstration of incompetence or shows a criminal disregard for what is really happening in the world," he said.

Of course, not all use of tax havens is linked to criminal activity. Although the cost of corporate tax avoidance in Britain is hard to pin down, it is widely accepted that tax planning costs the Treasury billions of pounds every year. Advice on tax is big business: it earned the top six accountancy firms alone fees in the region of £650m last year.

However, not everyone would welcome the abolition of



Island paradise: Tax havens include the Cayman Islands (above) and Jersey, home to Woosnam (top right) and Whicker



Main picture: Colorific

offshore banking. Dr Barry Rider, director of the Institute of Advanced Legal Studies, fellow of Jesus College and organiser of the conference,

sounded a note of caution. "It might look hypocritical," he said, given the government's declared crackdown on the drugs trade and serious crime, "but

the issue is whether we have the legal powers to do it". John Whiting, a senior tax partner at Price Waterhouse,

agreed: "There is a slight problem here. Can we really abolish other countries? ... It's not that easy. Can you really envisage a plane load of fiscal paratroopers - an ex-cise hill squad - storm-

ing in and taking over whatever state we want to?" A partner in one of the major accounting firms who has worked in Jersey for the past 20

years described the island as "one of the upmarket or certainly more reputable offshore centres". Even so, he added: "We are constantly on the lookout." There was, he said, a pecking order for offshore centres to which Mr Bickford should have made reference. Compared with the Caribbean, for example, the Channel Islands have a "better level of litigation and regulation", he insisted.

Outlawing certain offshore centres would simply mean that the money would be taken elsewhere. "All our clients would merely go to the Caribbean or other places," he said.

The population of tax-haven Jersey is a very exclusive one. The island has strict immigration controls and only a handful of applicants are granted permission to live there each year. That select band includes the pop star Gilbert O'Sullivan, the television interviewer Alan Whicker and Kevin Leech, founder of the drug company M.L. Laboratories. Three years ago leisure-barons David and Frederick Barclay bought the Channel island of Brechou for £2.3m and the golfer Ian Woosnam lives in a £1m mansion in Jersey.

## No names pledge at child abuse inquiry

ROGER DOBSON

Victims of abuse at children's homes in North Wales, and their alleged abusers, may be given anonymity during the year long hearings of the judicial inquiry into the affair.

Witnesses have also been told that anything they say in evidence cannot be used against them in a criminal court.

At the opening meeting of the North Wales Child Abuse Tribunal yesterday, the chairman, Sir Ronald Waterhouse, said that counselling services would be available for those who gave evidence.

The first meeting of the tribunal, which will begin taking evidence in January and which is expected to cost around £6m, was attended by more than 30 barristers, solicitors and legal staff, including Sir Louis Blom Cooper, QC, who will represent some of the abused, and Gerard Elias, QC, a counsel for the tribunal.

The Welsh Office, North Wales Police, councils and their insurers, senior council staff, including at least one director, and workers at the homes are among those who will have legal representations during the hearings. Police officers who were subject to allegations and disciplinary investigations will, the tribunal was told, be represented separately.

The tribunal was set up by the Secretary of State for Wales, William Hague, following allegations that several hundred young people had been abused, sexually or physically, at homes

in North Wales over a 20 year period. Seven men have been jailed in recent years, and a report into the scale of the abuse has never been published.

At least 40 civil cases seeking compensation have been filed by alleged victims of abuse, and more are in the pipeline.

Sir Ronald told the crowded hearing at Ewloe, Clwyd, that the first duty of the tribunal was to assess the scale of the abuse. He said that several thousand social service files were having to be examined and that the police had taken statements from 2,600 people.

He said: "I must stress that we shall not be conducting a series of criminal trials or prosecutions. We are not a jury. Our duty is to inquire and our procedure will be essentially inquisitorial rather than adversarial."

He added: "Witnesses who complain of abuse may be granted anonymity if they wish to conceal their identity from the public at large. The tribunal will give similar protection, as far as it can, to persons against whom allegations or criticisms are made."

He said such witnesses may be referred to by a letter or number.

Sir Ronald said that the Attorney General had looked at the position of people giving evidence to the tribunal. "He has authorised me to say that anything which any witness says in evidence before the inquiry will not be used in evidence against him or her in any criminal proceedings."

## Anguish of the young witnesses

PATRICIA WYNN DAVIES  
Legal Affairs Editor

Children going to court as victims or witnesses still face unnecessarily distressing ordeals, despite the introduction of improvements such as video links, the Victim Support charity said yesterday.

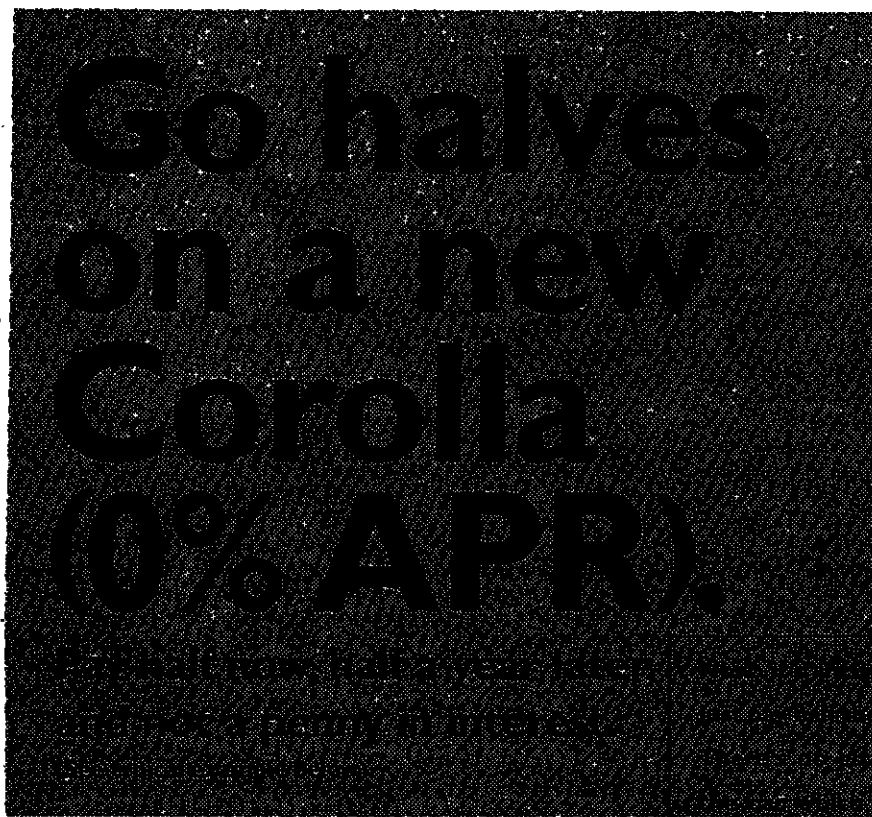
Barbara Mills QC, the Director of Public Prosecutions, backed its call for national guidelines on the preparation of child witnesses in the light of research showing children were subjected to long waits to testify, inadequate support and inappropriate cross-examination.

An evaluation of the Witness Service support scheme shows many children are given no preparation before attending court. A quarter of children in sexual cases and 66 per cent in non-sexual cases did not receive a pre-trial visit to familiarise them with the court, while the Child Witness Pack, published by children's charities and endorsed by the Lord Chancellor's Department, was only used for 25 per cent of children. In one of the courts studied in detail, a judge had no knowledge of the pack and tried to stop its use.

At the launch of the study, Helen Reeves, the charity's director, said that offenders committing serious crimes against children were escaping conviction because of the failings in the system.

The research, which examined the experience of 1,000 children called as witnesses to 26 crown courts and spotlights a number of breaches of the Government's Victims Charter, found that one in three children had to wait more than four hours at court before being called to give evidence or be dismissed. One in five waited more than a day and 334 of the children in the study never gave evidence on the listed day, causing unnecessary trauma.

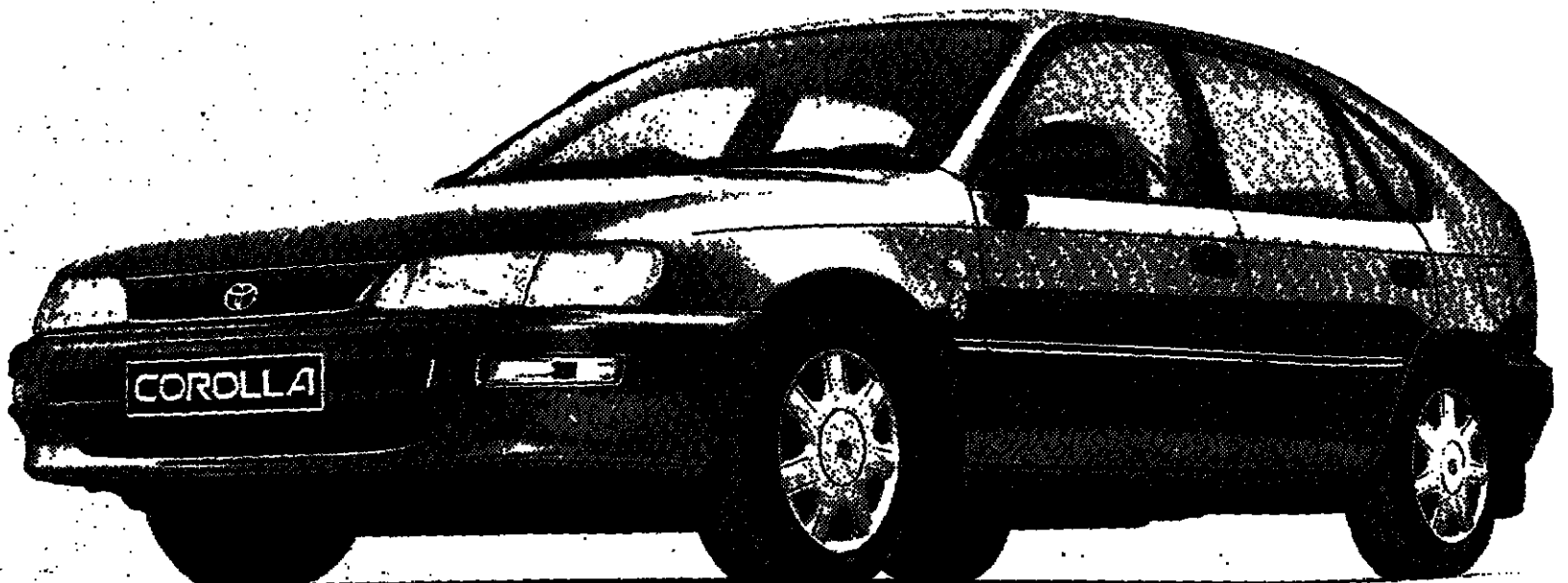
In 11 per cent of cases, applications for children to testify outside the courtroom by closed-circuit television link were refused; 80 per cent of children who did testify via the link were denied any support other than a court usher in the link room. Victim Support wants a "supporter" to sit with children in link rooms and says defence fears that child witnesses would be "coached" on their evidence have been overblown.



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# Ulster kept in dark by Whitehall secrecy

ANTHONY BEVINS  
Political Editor

The Northern Ireland Civil Service and the Royal Ulster Constabulary are systematically being frozen out of access to ultra-sensitive Whitehall files dealing with the province.

Official guidelines on public records have revealed that after direct rule was introduced in 1972, the Government replaced the long-standing classification "UK Eyes Only" - withholding disclosure even from allies such as the United States - with a refinement which restricted certain files to British eyes only.

Drawing an information curtain over the Irish Sea, files are now being marked, "UK Eyes B" or "UK Eyes A", which contains "information not to be released to any other country, and which, within the UK Government service, is confined to UK-based members of the UK Armed Forces, Home Civil Service (excluding Northern Ireland Civil Service), the

Diplomatic Service, the Police Forces (excluding the Royal Ulster Constabulary) ...". Even within Northern Ireland, some files are being marked with a further block on disclosure; the "Perimeter" classification, under which some officials can be kept in the dark about sensitive policy issues.

The guidelines, declassified and disclosed to Maurice Frankel, director of the Campaign for Freedom of Information, by the Ministry of Defence, also state that the Cabinet Office has slapped a 100-year closure on any Whitehall files relating to Northern Ireland from August 1969, when the troops went in.

While the general presumption of the Public Records Acts is that official files will be open to public inspection after 30 years, items of special sensitivity are regularly withheld for 40 years, or 75 years.

Only in cases of the most acute sensitivity are files kept back for 100 years, as, for example, those relating to the December 1936 abdication of Edward VIII, closed until 2037.

The guidelines also spell out categories of "sensitivity" under which official files can be withheld beyond the 30-year rule. They include files that reveal possible war crimes committed by British service personnel, and the identification of people who have acted as informers or "collaborated with enemy occupying powers".

The guidelines say that file reviews need to watch out for: "Breaches of the laws of war", eg. the provisions of the Geneva and Hague Conventions, in circumstances where British/Commonwealth or allied nationals might be considered to have been seriously at fault in such matters as ... the treatment of enemy wounded or prisoners of war; the status and integrity of the Red Cross (eg. the misuse of hospital ships); the treatment of neutrals and of their property (eg. the sinking of neutral shipping).

Sensitivity checks are also made on records showing any "action, or communication, by a member of the Royal Family which might be considered unconstitutional, eg. expressions of criticism, or conflict, with Government policy".

But the guidelines reveal that a relaxation took place in 1993 under which "records concerning financial arrangements affecting the British Royal Family are now subject to normal personal sensitivity rules". Previously all such royal files were closed for 100 years.

## Sex-change chemicals found in sea

STEPHEN GOODWIN

sewage discharged into Scottish rivers and coastal waters contains chemicals at levels which may be capable of causing hormone disrupting effects, including sex changes in fish, according to a government agency study.

Two of the discharge sites are at popular bathing beaches in Yorkshire. But the Scottish Environment Protection Agency (Sepa) which is conducting the research, said that the amount of dilution was "enormous" and there was no risk to bathers.

The Sepa study is one strand of a vast amount of work worldwide to determine the extent of pollution by hormone disrupting chemicals and its effect on creatures from microscopic inhabitants of the seabed to human beings.

The discovery of "feminised" fish in the river Aire in Yorkshire - female fish hormones found in males - led to a request last year by the Environment Agency for the textile industry to stop using the most suspect chemicals.

Feminised fish were also found in other English rivers near sewage discharges, though link between the chemicals and the sex change has not been proved.

The Sepa study focused on two classes of chemical compounds - alkyl phenol ethoxylates (APEs), used as detergents in a wide range of processes, including textiles and carpet manufacture and industrial cleaning, and phthalates, used as a softening agent in producing plastics, paints and cosmetics.

During the summer, 84 samples were taken from sea outfalls and other discharge points around Scotland. Of these, 13 were assessed by Sepa as possibly at times exceeding the level at which the compounds

"may be capable of producing hormone disrupting effects". The environmental pressure group Greenpeace yesterday called on the Government to advance its target of phasing out the use of APEs by 2000.

"The discharge of chemicals which can damage our hormones is unacceptable," said Peter Roache, a Greenpeace toxics campaigner.

Dr Gerry Best, head of chemistry for Sepa's west region, said the results had to be taken in context. "We have found no effects which can be attributed to hormone disrupting chemicals, nor are we aware of any feminised fish in Scotland."

The next stage of Sepa's work will be to examine tiny shrimp-like creatures in the seabed sediment around the sewage discharge to see if there are any signs of the intersexuality reported in scientific literature.

The agency is also working with industry and water authorities on safer alternatives and reducing discharges.

Laboratory tests at Brunel University in London showed that male fish exposed to sewage treatment effluents containing APEs and phthalates produced a protein called vitellogenin, which is present in female fish for producing eggs.

But John Sumpter, the professor of animal physiology who heads the work at Brunel, said yesterday that there was not enough information to judge the effect in the wild.

"There is genuine concern about these chemicals, including people who are concerned about human exposure to them, but there is not enough information to know whether it's real or not," Professor Sumpter said.

"As with BSE, there's only one way forward, and that is research."

## Climbers who plunge for freedom with finger-tip control



Hanging around: Climbers on the Dorset coast at Portland Bill taking to the rocks in a sub-sport they call deep water soloing that gives them the freedom to climb without ropes while using the sea as a safety net. Longer falls can be 60ft with bruising and a cold bath the main risks  
Photograph: Rob Stratton

## Crowded jails to 'slop out' again

JASON BENNETTO  
Crime Correspondent

"Slopping out" in jails - in which inmates use bucket toilets - could return if the number of offenders being locked up continues to rise, the head of the Prison Service said yesterday.

Richard Tilt, the director general, said that the number of inmates was increasing so rapidly that they could fill a new prison every three weeks. He told penal workers and campaigners at the Howard League's conference in Oxford that by last Friday the prison population in England and Wales stood at 56,150 - despite the exit of 541 prisoners in the early release debate - and was growing by 1,000 a month.

He warned that he could not guarantee that the much hated process of "slopping out" would not return. The end of slopping out, achieved in April, was one of the key recommendations made by Lord Woolf in 1991 following the 1989 Strangeways prison riots.

Mr Tilt said that with money for new buildings severely restricted, accommodating the massive influx meant "a serious risk" and by early next year the service would have to resort to holding them, at huge expense, in police cells. He said that a short-term projection drawn

up in May suggested that the population of the 136 prisons in England and Wales would hit 60,000 within a year.

He told the conference that at the start of next year, when there is a traditional increase in the numbers of people being sentenced to custody following the courts' Christmas holidays, the service would be under a particular strain. "I don't know how we will get through that period of having to resort to police cells - a huge setback."

The most recent projections do not take into account the impact of tough sentencing proposals to be included in a new crime Bill this autumn, which could add up to 15,000 to the population total.

Mr Tilt also suggested it would be "extraordinarily difficult" for the service to afford the security improvements recommended in last year's Leamington report into the Parkhurst prison break-out. He warned that the combination of the rising population and budget cuts would imperil rehabilitation programmes in prisons.

Frances Crook, director of the Howard League, blamed the rapid rise in prisoner numbers on politicians' hard-hitting law and order rhetoric, particularly that of the Home Secretary, Michael Howard.

## More parents join protest over 'unruly' schoolboy

JUDITH JUDD  
Education Editor

More parents yesterday withdrew their children from a Nottinghamshire primary school in protest against the presence of an allegedly disruptive 10-year-old boy.

By the end of the day, 46 children had been taken out of Manton junior school, near Worksop. On Monday 40 children were removed by parents angry about Matthew Wilson's return to the school.

Matthew is receiving one-to-one tuition under a deal agreed by the local authority and the teacher unions. Members of the National Association of Schoolmasters' Union of Women Teachers (NASUWT) claimed that he was a danger to teachers and other pupils and refused to teach him.

School governors have twice overruled a decision by Bill Skelly, the school's head, to have him expelled. More than 200 parents have signed a petition calling for Matthew to be expelled and for the governors to resign.

Nigel de Gruchy, general secretary of the NASUWT, has written to Gillian Shephard, the Secretary of State for Education, asking her to intervene. So



Unwanted: schoolboy Matthew Wilson Photograph: Page One

far she has refused to do so. She has the power to direct the authority or the governors if she considers they have acted unreasonably.

Mr de Gruchy's letter also raised the question of reports that governors have visited Matthew's home. He said it was "quite inappropriate" for the governors to have such a close relationship with the family.

Eileen Bennett, chair of the school's governors, said the

said: "I am not taking him away from that school. I can't win no matter what I do. If I take him to another school all the parents at the other school will say they don't want him either."

She said she had only agreed to the one-to-one tuition to stop the strike. "He is not as bad as they are making out."

The authority is paying about £14,000 a year for a supply teacher to teach Matthew separately from other children.

A parent, Frances Lawrence, said: "Why should our children suffer for the sake of this one boy?"

"I am hoping that all parents will support us today in keeping their children away. Otherwise our children are going to lose out in terms of books and trips. Why should he get preferential treatment when he is such a difficult child?"

Parents met Mr Skelly on Monday evening. He promised to arrange further meetings with the local authority.

Another parent, Karen Bearham, who has an eight-year-old daughter at the school, said Matthew had a right to education in the same way as every other child. "He is a normal child. He may not be perfect. He is only a 10-year-old boy."

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# Radio 3 sounds modern note to end millennium

MARIANNE MACDONALD  
Media Correspondent

Radio 3 will devote the last two-and-a-half years of this century to a major retrospective of 20th century music and culture, Nicholas Kenyon, its controller, revealed yesterday.

Speaking at the launch of the network's 50th anniversary season, he said the retrospective would enable listeners to come to terms with "the best of 20th century culture" - which, musically at least, is notoriously among the most difficult.

Details are yet to be worked out, but Mr Kenyon said the two-and-a-half year project - which would take up a number of hours of the station's weekly output - would be "music-based" and involve a variety of different orchestras, not just the five funded by the BBC.

He revealed the initiative after launching Radio 3's plans to celebrate its 50th anniversary on 29 September with a series of live broadcasts from BBC orchestras, a new production of Bernard Shaw's *Man and Superman* directed by Sir Peter Hall, and five new radio poems by leading poets.

The date will also be marked by a specially-commissioned

history of the network - which began life as The Third Programme, broadcasting only in the evenings - by Humphrey Carpenter. Mr Carpenter has been in the limelight recently over his biography of Lord Runcie, the former Archbishop of Canterbury.

Mr Kenyon made a joking reference to the fact that Lord Runcie, who has distanced himself from some of his comments in the book, expected the biography to be published after his death.

"Humphrey came in with the history of Radio 3 and put it on my desk for me to sign. I read what it said: 'I have done my best to die before this book is published.' I thought: 'This is a bit steep, I wasn't born when The Third Programme was launched,'" he said, to laughter.

"All of us only hold this remarkable enterprise in trust for the audience and the audience know jolly well they run us and not the other way round. It's always been the case," he continued more solemnly.

"The Third Programme was one of the greatest and most enduring creations of the BBC in the post-war period. Its cultural programming had a permanent impact on our national life

and influenced generations of listeners. Even though it broadcast only in the evenings, its range and scope were extraordinary."

Among the programmes on the anniversary day of 29 September will be Mr Kenyon in conversation with Mr Kenyon, the BBC National Orchestra of Wales performing Ravel's *Daphnis and Chloe* live from Cardiff, the BBC Philharmonic in the world premiere of Roberto Gerhard's *Solres de Barcelona*, Osmo Vanska conducting the BBC Scottish Symphony Orchestra's performance of Shostakovich's *Symphony No 1* live from Glasgow, and a repeat of the 1957 recording of Beckett's first radio play, *All That Fall*.



Women's man: Davide Damiani rehearses a scene from a Welsh National Opera production of *Don Giovanni* which opens in Cardiff on Saturday and runs until 5 October before touring Britain until the end of November  
Photograph: Rob Stratton

## SCREEN WATCH

A disappointment for Rubenkeckers in Leicester Square tomorrow night. Gwyneth Paltrow has made her excuses and will not be attending the British premiere of *Emma*. But the evening will have at least two unexpected attractions for celebrity seekers. Imran Khan and his wife Jemima will be hosting the charity premiere, its preceding champagne reception and party afterwards with money from tickets going to Imran's hospital in Pakistan.



Jemima Khan: hosting party for *Emma* premiere

Meanwhile, *Emma*'s director Doug McGrath's diary published in *Premiere* magazine tells how he received a letter from his friend Woody Allen during the shooting of the movie, with advice that fell neatly into a style midway between Austen and Allen. It said: "Know that in the end, common sense will be your greatest guide. If you just trust your own judgement and taste, more often than not, things will turn out right. If not, you may want to meet with a career

counsellor as quickly as possible."

So where is the next Gwyneth Paltrow. Answer: Italy. Rivaling Miss Paltrow in coming from near nowhere to starring in a major movie at a tender age is the memorably named Asia Argento who comes to Britain next week when shooting starts on *St. Monique*, the film based on the best selling novel by Andrew Davies.

The story is of a London schoolgirl, but none of the aspiring 1,000 actresses auditioned by Scala Productions, the British co-producers, matched up to the Italian starlet. Also starring Rupert Everett and Jared Harris, the film marks the return to Britain of director Michael Radford, who made the much acclaimed *Il Postino*, after several years of living in Los Angeles.

Miss Argento, only 20, has already appeared in 18 films and has just been voted Italy's most popular and desirable actress. Not on the voting panel was the director of her biggest Italian box office hit - her father.

Here's film director logic at its most illogical. British producers and directors have been lobbying for ages to give foreign film makers tax breaks to encourage them to come to Britain to make movies. Now those same film directors, who want these hoards of film makers flying into London, have told *Empire* magazine that if a fifth terminal is built at Heathrow airport the additional aircraft noise might force them to stop making films in the capital altogether.

David Lister

## DAILY POEM

Almost

By Jacqueline Brown

Have you ever watched a baby's eyes watching yours - the way you drown fathoms deep in each other's blue spaces till there's just the one last dive left to make before you disappear like air into invisibility and every part of you tingles with a sort of nervous tickling that's both excitement and fear and you wish there were something earthing you - a ladder, rope, gantry, anything at all though you don't entirely want to be earthed either?

It's like transforming into your red cloth kite at the seaside that the east wind caught and plumped and tugged loose from the wooden crucifix and round which the string was figure-eighted and left your hand empty, then dwindled smaller and smaller to a tiny splat of red against the sky you had to squint to see. Yes, it's almost like that. Nearly.

Jacqueline Brown's chronological journey from childhood through motherhood to middle age is published by Arc as *In a Woman's Likeness* and is a Poetry Book Society Recommendation. She won the *Observer/Arvon* Competition in 1992 and has published two previous collections. She reads, with Maura Dooley, at the Voice Box on the South Bank on Wednesday 25 September, at 7.30pm.

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International

# Would-be hero poisoned by his own sting

New Delhi — An ex-military intelligence officer named Peter Bleach thought he was doing the British Government a good turn. He tipped off the Ministry of Defence that a cargo of arms was being parachuted down to terrorists in some remote hills of northern India last December, and he collaborated in a sting operation intended to catch the terrorists. Now Bleach is in a Calcutta jail charged with treason.

Under Indian law, the 44-year-old Yorkshireman faces a possible death penalty for "waging a war against India". Mr Bleach feels the Indians and British authorities should regard him as a hero. How he ended up in a Calcutta jail cell is a bizarre tale involving international arms dealers, blundering intelligence agencies and a Hindu extremist cult that

Ex-soldier fears Indian treason charge is cover for official incompetence. Tim McGirk reports

dances with human skulls. *The Independent* has learnt that Mr Bleach is afraid the Indian authorities may sacrifice him to cover up their slip-ups in letting the terrorist ringleaders evade the snare which Mr Bleach so carefully laid.

"The entire operation should have been a perfect trap. Instead, everybody of any importance was allowed to escape. The case has become high-profile, and the Indian authorities need a high-profile accused," Mr Bleach told *The Independent*.

Mr Bleach opened a "defence supply service" after tours with military intelligence in Belfast and Africa. He was contacted in July 1995 by a Danish firm asking him to supply a quote for

the delivery of four and a half tonnes of AK-47 rifles, ammunition and rocket-propelled grenades to an unknown destination in South Asia. He flew to Copenhagen but soon realised that, in his words, "it was anything but a legitimate arms deal. It was clearly on behalf of some terrorist group."

After returning to the UK, he immediately notified the MoD's Export Services Organisation of the terrorist plot and requested advice. In a taped recording of a telephone conversation in early August 1995, Mr Bleach "promised to carry on as normal, and to do nothing which might alert the buyers".

Sources familiar with the case claimed that the MoD officials tried to warn Mr Bleach against

going ahead. But the ex-military officer disputed this. "We had no direct knowledge of who the guns were intended for, and indeed the object of the entire exercise was to discover this information," Mr Bleach said.

Even if it is true that the MoD urged Mr Bleach not to get involved, British intelligence officials were keen to monitor how the arms deal was unfolding.

Three times his office was visited by defence ministry agents who collected copies of Mr Bleach's documents. Once it became apparent that the destination for the arms cargo was India, authorities in New Delhi were alerted. By October, a month and a half before the drop, New Delhi had been informed through British

channels of everything, according to Mr Bleach: the names of the people involved, the cargo, the type of aircraft used and its registration — even the aircraft's route and the approximate drop site near Purnia, in West Bengal state, were passed on.

Mr Bleach's contact was an agent in his mid-thirties who called himself Kim Davy and whose New Zealand passport later proved to be a fake.

Indian police believe that Davy had arranged the arms purchase on behalf of an extremist Hindu sect, the Ananda Marg, whose belief in the eradication of world governments has led to their persecution by the communists who rule West Bengal state. On board the Antonov

AN-26 cargo plane, crewed by Latvians, Mr Bleach was expecting to be intercepted by jet fighters the second they crossed into Indian air space. It never happened.

After taking off from Karachi, the plane landed at Varanasi, took on fuel and then made a detour over Purnia on 17 December to drop the cargo near the headquarters of the Ananda Marg.

The empty cargo aircraft was eventually instructed to land at Bombay airport. Bleach expected the aircraft to be surrounded by armed police and troops. But instead the plane was ordered to park at a remote side of the airport and left for an hour before Indian officials turned up. The mysterious Kim

Davy walked out of the airport and has never been seen since. Mr Bleach and the Latvian crew were arrested, as were six leaders of the Ananda Marg. The top Ananda Marg monks, believed by police to have helped organise and fund the arms drop, also fled.



Under arrest: Now Bleach faces possible death

## Bosnia taints hopes of new arrivals



The minarets and mountains of home: we just need time, and peace, said Amir Selmun, back with his family in Travnik

Amir Selmun points to a gorgeous view, the old minarets of Travnik below the majestic heights of Mount Vlasica, in central Bosnia, and imagines how it will look from the house that he and his business partner are building on a site overlooking the Lasva river. They hope eventually to add a motel and a car-wash, though both are dentists by profession.



The minarets and mountains of home: we just need time, and peace, said Amir Selmun, back with his family in Travnik

Photograph: Popperfoto

Emma Daly ends her series with the Selmun family's return to Travnik

"We need just time, you know, and peace," Amir says, three days after shrugging off the mantle of refugee in London and returning to Bosnia. His optimism marks him out as a recent arrival, and as one of the privileged classes. Their departure in 1992 from

Banja Luka, the largest Serb-held city in the country, was a typically Bosnian experience: they lost their house, their country house, their car and most of their possessions. But on their return, they face a softer landing than most.

Amir and his wife Alma will

start working next week as dentists in the Travnik hospital, adding to their income with work at a private practice. They expect to move into a flat provided by the hospital soon.

Mirna, their 11-year-old daughter, started school yesterday and Amir, who is six,

will follow his sister today. Amir's parents, miserable in a foreign country, are delighted to be back.

The family crossed into Bosnia with a coach-load of other returning refugees late on Friday night. "It was a very impressive picture, because we were so happy, everyone was crying and emotional — for the first time in four years we were in our country, after the war," Amir says over a coffee at a restaurant in the old Muslim town of Travnik. "At the border I saw two of my friends from before the war; it was a wonderful situation."

His enthusiasm is touching, but not infectious enough to dispel the cynicism of Amir's brother, a Bosnian photographer here to take pictures of the family. He is convinced that Amir will slump into the apathetic despair prevalent among those who saw the war out in Bosnia.

The country goes to the polls

about their voting intentions. "It is very simple — if you know me, you know who I will vote for," says Amir, chuckling. I hazard a guess — the Muslim SDA, the ruling party throughout the war. "Yes, because the SDA saved this city, and when I see soldiers without legs, without arms, then I have to vote for them." But this answer is partly directed at his friend, who is sitting with us and who is almost certainly a party member.

"But," Amir adds obliquely, "it's a very personal question. Maybe I will tell you that I will vote for the SDA but then, maybe I won't."

So far, the family's reception has been friendly — "People are lovely," Amir says — but the photographer, who lived here throughout the war, poses the questions many Bosnians would like to ask of returning refugees. "Did you ever think of coming back to join up and help your country? Does anyone ever call you 'traitor'?" Amir is uncomfortable. "All

'Did you ever think of coming back to join us. Are you ever called traitor?'

this weekend to elect a three-member ethnic presidency, a national parliament and an assembly for one of the two "entities" (the Muslim-Croat federation and the Bosnian Serb statelet). But few Bosnians expect the voting to end the argument that started the war: partition or union.

The Selmunas are registered as absentee voters, which means that Amir and Alma will vote in Travnik — but for local government candidates in Banja Luka, civic centre of the Serb heartland. And, like all of their compatriots, they are products of Communist Yugoslavia, which means there is a slightly uncomfortable discussion

day, every day I thought about coming back but the problem was in my head: my children, my children," he replies, adding defensively that his family has, after all, lost everything.

Already the political climate is working its way into Amir's bones. In London he was confident of returning one day to Banja Luka, saying that the Serbs who changed from friends into enemies could change back. Alma still believes she will be able to visit her old town soon, but her husband has changed his mind. "I see no possibility of going back but anyway I don't want to — I hate too much these people from Banja Luka," Amir says firmly. Now he really is home.

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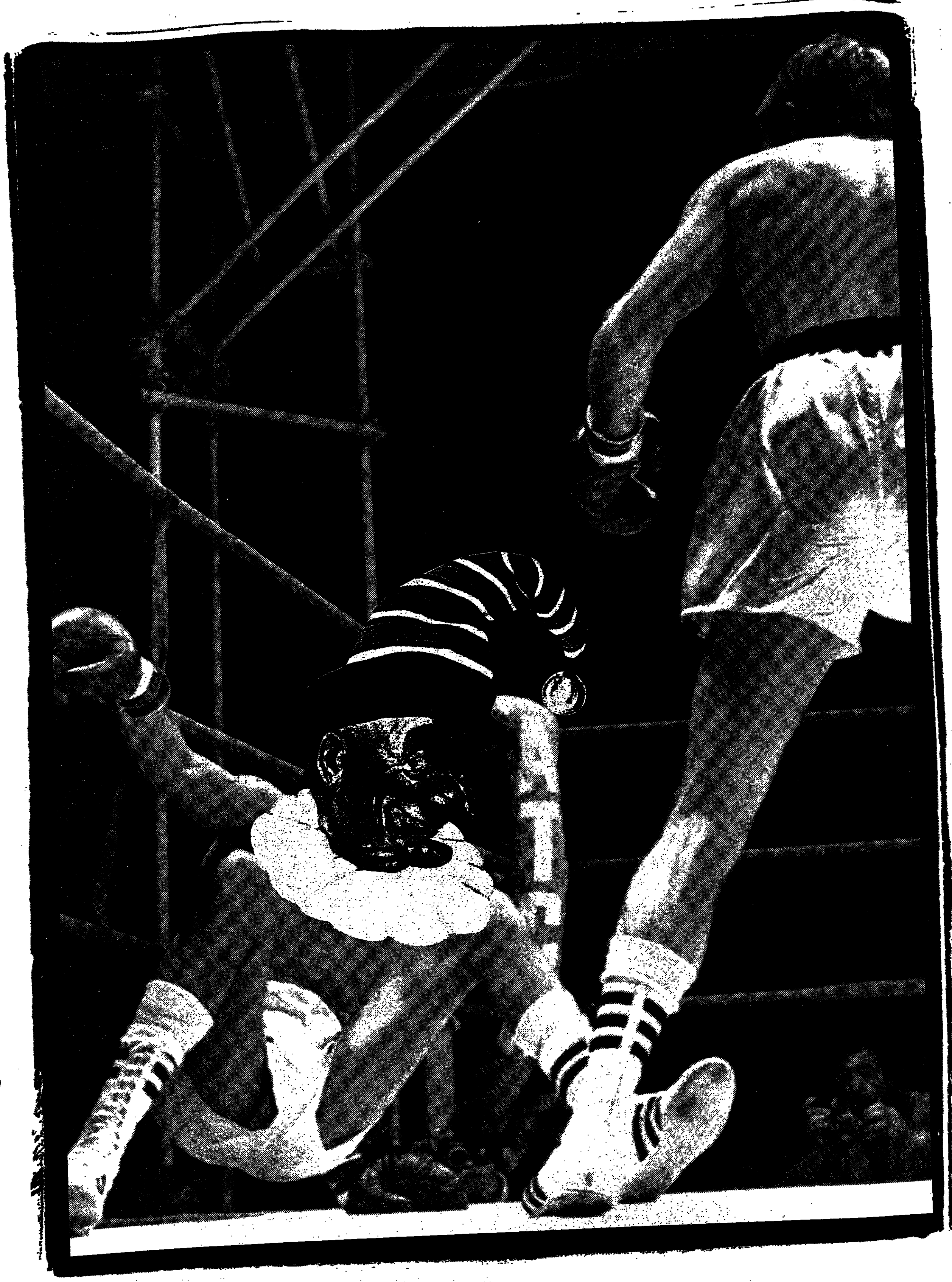
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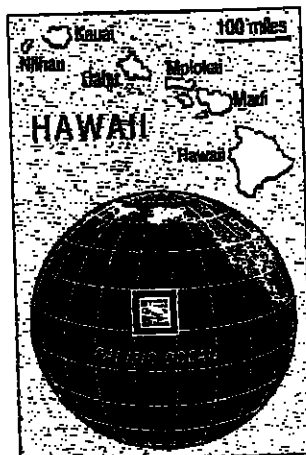
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## International

# In search of sovereignty: In Europe and the Pacific, old political systems will have to adapt to calls for greater autonomy

## Hawaiians vote for greater independence



Native Hawaiians voted overwhelmingly in favour of self-government in a referendum held earlier this summer, organisers said, even though the formal release of the poll's results was delayed at the last moment.

About 80,000 Hawaiians of indigenous descent were asked whether they favoured electing delegates to a convention to consider self-government which could range from the creation of a nation within a nation within the United States' 50th state to the secession of Hawaii from the Union.

"It's very definitely a 'yes' vote," Poka Laenui, a member

of the Hawaiian Sovereignty Elections Council said. He noted that the ballots had been colour-coded yellow for 'yes' and pink for 'no' and that the ballots cast had been overwhelmingly yellow.

Further progress was unexpectedly halted, however, by a US district court in California. The stay will allow a further hearing into a lawsuit lodged by a non-native resident of Hawaii who claims the referendum discriminated against non-Hawaiians and was unconstitutional. Many native Hawaiians believe they have been treated as second class citizens in their own

land ever since the overthrow by US Marines of the Hawaiian monarchy in 1893. Hawaii remained a territory of the US until it became a state in 1959.

The stay, issued minutes before the formal results were to be released on Monday, infuriated election council officials. "We're very disappointed," said Jon Van Dyke, the lawyer for the council. "But I'd be very surprised if the stay lasted very long." It was unclear when the hearing would take place.

Undaunted, Sol Kahohaha-

lahala, the council chairman, declared: "We waited 100 years. What's another day or so? We're going to come through. We're going to be victorious."

Hawaii's tentative move towards greater autonomy is part of a wave of movements towards self-government amongst the world's indigenous peoples. But Aidan Rankin, of Survival International, said that in global terms their progress towards self-determination showed "a patchwork of losses and gains".

Technically, America's indi-

an tribes are already "sovereign" nations. In fact their position is complex. On reservations, Native American and not US law prevails in many areas - a situation upheld by a 1978 ruling of the US Supreme Court that federal courts had no jurisdiction to protect the civil rights of an Native American living on the reservation. But Native Americans hold federal citizenship and pay most federal taxes, while Congress has "plenary powers" over them, including the right to abolish entire tribes.

In Australia the Aborigines scored a significant victory in 1992 when the High Court de-

clared void the legal concept of terra nullius, on which modern Australia was founded. This said the country was empty when Europeans arrived. The Mabo judgment sent shockwaves through the business, legal and political establishments, and the government moved quickly to enshrine the judgment's findings in legislation, though the battle for Aboriginal rights is far from over.

In New Zealand, a proposed law would return up to 10,500 acres of land - leased in perpetuity by New Zealanders of European descent - to the Maoris. Many leases date from

when land was forcibly handed over to British settlers.

Many indigenous Canadians argue they have never ceded sovereignty to the colonists. The Canadian constitution protects aboriginal rights for hunting and trapping as well as the right to "self-determination". In 1999, the territory of Nunavut will be created in the Canadian Arctic where about 30,000 Inuit people will control 2.2 square kilometres, or one-fifth of the Canadian land mass.

Canada, Mr Rankin said, showed how the patchwork of progress and regression can co-exist in one country.

## The future of Europe is in its regions. Soon the EU will be just a federation of them

When the Northern League announces the birth of Padania, a federation of northern Italian regions next Sunday, it will be the first, crucial step down the road to a new look European Union, a top party official said yesterday.

Not content with plans to hive off eight of Italy's most productive northern regions - or 10, if you harken to those more ambitious supporters of the League who hope to drag the central regions of Tuscany and Umbria into the new state - the Northern League has set its sights on forging a federation of European regions. Roberto Maroni, chief of the Padania Liberation Community, said that was the only way of diminishing the might of Germany.

Amid the hue and cry of its independence stunt, which will include three days of festivities along the banks of the Po in the run-up to the declaration of independence in Venice on Sunday, the League - led by Umberto Bossi - is emerging as the most pro-European party in an overwhelmingly pro-European country. Like many independence-minded parties, including the Scottish Nation-

al Party, the League sees its independence within the context of a broader Europe.

"Already we're talking about a common defence policy, and the common foreign policy. A single currency is going to be a



Bossi: Plans festivities

reality in a very few years time," said Mr Maroni. "All those things which signify the sovereignty of a nation state are being moved under the control of Brussels. The point will come when diplomacy within the European Union will be anachro-

nism: what's the point of an Italian ambassador in Paris when goods and people can move freely between Italy and France and enjoy the same rights and privileges in each country?"

Some minor adjustments would be needed to European legislation: "What kind of union is it if a crime committed in Ventimiglia [in north-west Italy] is treated differently from the same one committed just a few kilometres down the road in Menton [in the South of France]?" said Mr Maroni.

Then there are taxes, electrical plugs, third-country visa requirements, official statistics data-bank systems, and train fares. The list is endless. But the League is not giving up and Mr Maroni talked of a five-year transition period, during which even the "hopelessly undemocratic" EU institutions will be forced to see the folly of their way.

At this point, the League argument runs, nation states would lose their purpose. Mr Maroni said: "The centre has already lost touch with the edges.

When the centre has no real function because so much of its power has devolved to Brussels, what use will government in Rome or Paris or London be?"

The future of Europe, the League says, lies in its regions: it will only be a question of years and the EU will be a federation of regions under the watchful eye of Brussels.

And in the vanguard of this change will be the Northern League, not forcing its ideas on the people, Mr Maroni stressed, but giving voice to the legitimate demands of the man in the street who until now has been unable to make himself heard.

A pity, then, that even with secession fever mounting in Padania, opinion polls in League strongholds do not show all that much support for the party's policies.

Two thousand people in five regions where the Northern League is the strongest single party made no secret of where they stood when questioned by the *Famiglia Cristiana* weekly. Only 10.5 per cent favoured the League's separatist stance: not a huge amount of backing for a party which is out to change the face of Europe.



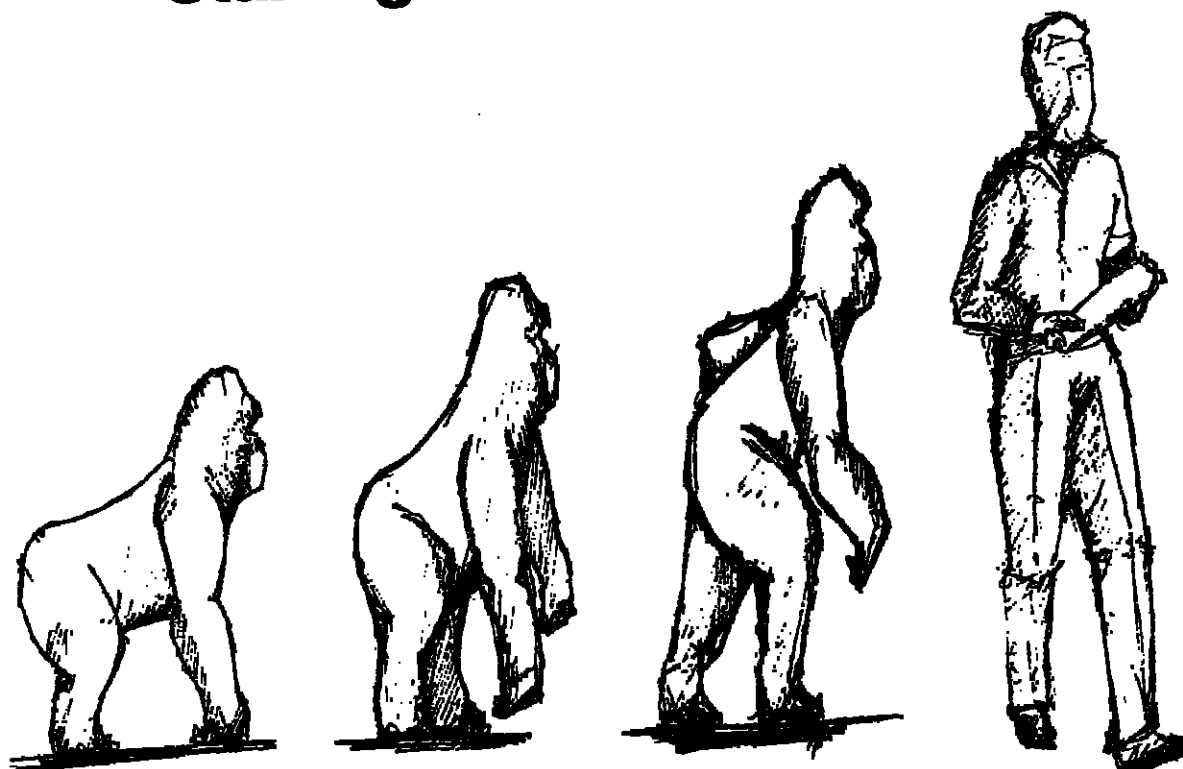
Breakaway: Graffiti for Italy's Northern League, which plans to declare independence on Sunday

Photograph: AP

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## Yeltsin to hand reins of power to PM

While the president receives heart surgery, Russian ministers will report to Chernomyrdin. Phil Reeves reports

Moscow — Boris Yeltsin has ordered his most powerful ministers — including his defence, security and intelligence chiefs — to report to his prime minister, Viktor Chernomyrdin, while he remains out of sight, preparing for heart bypass surgery.

The move represents a significant, if temporary, shift of power in Russia as the country's mightiest government institutions are now answerable to the prime minister, and are likely to remain so for some time.

The president's spokesman, Sergei Yastrzhembsky, said yesterday that the heads of the power ministries were under instructions to co-ordinate "all questions that require a decision by the head of state" with Mr Chernomyrdin, although Mr Yeltsin would be kept informed of developments.

The order covers the departments of defence, foreign affairs, security, government communications, and intelligence, which usually report directly to Mr Yeltsin and which are widely seen as the roots of power in Russia, after the presidency itself. The Kremlin said that Mr Chernomyrdin will also have the power to convene Russia's recently formed Defence Council if "urgent military issues" arise. However, Mr Yeltsin will remain in charge of the nuclear button.

Last night Mr Chernomyrdin was at pains to stress that Mr Yeltsin stays in charge, and sought to stifle any suggestion that he is intends to assume overall control: "Trust is a mutual thing which has two sides: as a minimum, I am convinced that Boris Nikolayevich can count on our trust. For me, the president will remain president during the operation and during the entire course of medical treatment."

But the president's decision to hand over partial control of some of the key institutions of state came as a surprise, not least because it was sooner than many expected. Only two days before, the president's chief-of-staff, Anatoly Chubais, said Mr Yeltsin would probably relinquish control only "for hours, a day, or two days" following his operation, which is expected later this month.

The decision will be seen as a further vote of confidence by the president in Mr Chernomyrdin at the expense of Alexander Lebed, Russia's security chief and envoy to Chechnya. Although Mr Lebed has urged Mr Yeltsin to pass over the reins of office to Mr Chernomyrdin during his absence, the general also has ambitions to place the power ministries under the oversight of the Security Council, which he heads. He has also been vying with the prime minister for power in what is seen as an open battle over the succession.

Mr Yeltsin has been under pressure to hand over power since his sudden announcement last week that he will be having a heart operation. Under the constitution, executive power passes to the prime minister if the president is incapacitated. But there has been widespread speculation over how he would transfer his responsibilities, and considerable confusion over the laws for doing so. On Monday, the constitutional court ruled that he could make hand-over either by decree or verbally.

Mr Yeltsin has been on vacation in a country hunting retreat since 26 August, but has not announced when he will return to work.



Joachim Ruhuna, Archbishop of Gitega province in Burundi, seen here viewing victims of a massacre in July, is believed to have been killed after his car was ambushed by Hutu rebels yesterday. Photograph: Corinne Dufka/Reuters

## Nato 'should stay on' in Bosnia

CHRISTOPHER BELLAMY  
Defence Correspondent

An international peacekeeping force should remain in Bosnia until October next year, the German defence minister, Volker Ruhe, said yesterday, as Nato refines its plans for a body to succeed I-For, the 50,000-strong peace implementation force.

In an article in the *Frankfurter Allgemeine Zeitung*, Mr Ruhe suggested Germany should play an increased role in the successor force, which might have a German chief of staff. But Nato sources ruled out any suggestion that the force would have a German commander, which would be unacceptable to the US and the Serb population of Bosnia.

Nato member states are keeping quiet about the question of a successor force and the US has refused to comment until after the presidential elections on 5 November. However, the British Army is planning to keep a strong force in Bosnia until April.

The present head of I-For is the US Admiral Joe Lopez, commander of Nato's southern region in Europe (Afsouth). His force comprises three multinational divisions — one US-led, one UK and one French.

Nato wants to base the successor force on Landcent — the land component of Nato's central European region (Afcen). Afcen's commander is a German, General Dieter Stockman. US troops, who would be needed to make any successor force credible, would not be placed under German command.

However, the US commander of Landcent, General William Crouch, is a prime candidate.

Mr Ruhe said that if Landcent forms the nucleus of the post I-For command, a German might be appointed to a senior position — possibly the chief of staff.

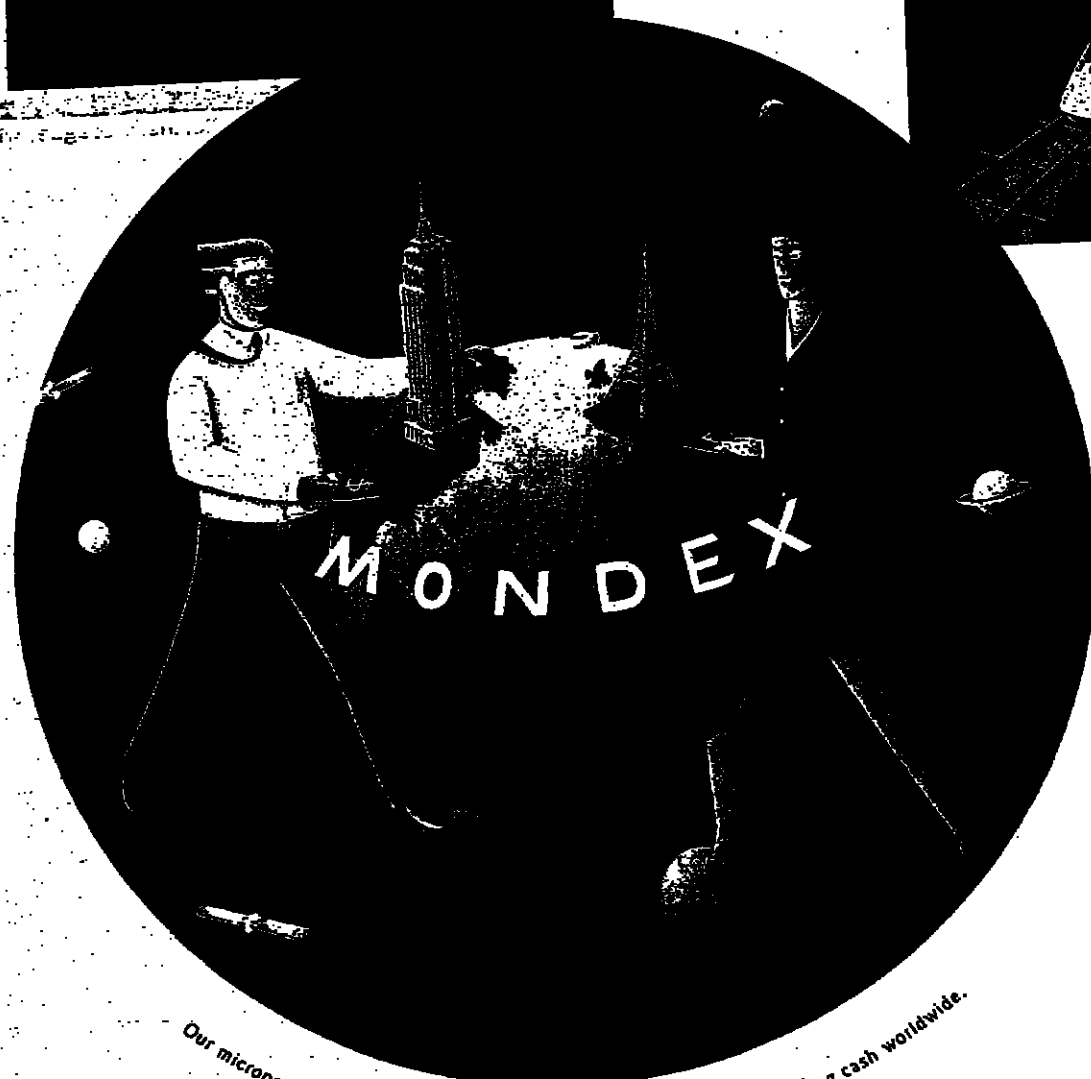
I-For's three divisional headquarters, with up to 20,000 troops each, will be replaced by brigades of about 7,000 troops.

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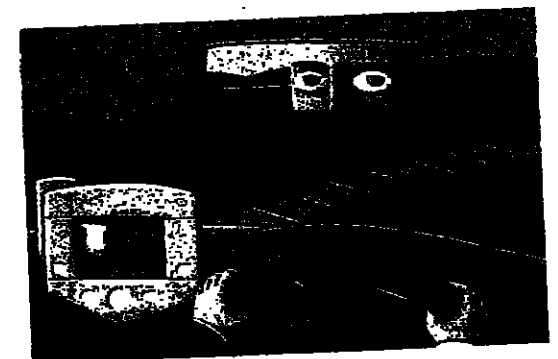
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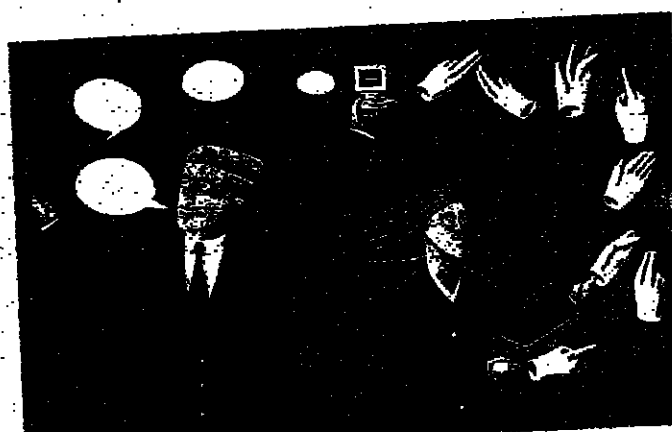
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# International

Kurdish conflict: Vanquished rival warns that Saddam will 'consume us all', as fall-out from crisis begins to be felt in the US

## Barzani ponders the price of victory

HUGH POPE  
Istanbul

Masoud Barzani savoured the fruits of victory yesterday as the single-handed capture of the city of Sulaymaniyah by his Kurdistan Democratic Party guerrillas showed that his strength was greater than mere reliance on the support President Saddam Hussein of Iraq.

The losers, Jalal Talabani's Patriotic Union of Kurdistan, fled to the Iranian border with thousands of civilians. Iran said 200,000 refugees were pressing to come in; independent reports gave figures of 2,000 to 10,000 camping in minefields without sanitation or proper food.

The PUK fighters were apparently victims of their own propaganda about the advance of overwhelming Iraqi army units, of whose presence there was no independent confirmation. Thousands of other civilians melted away to home villages in the countryside to wait for the situation in the city

of 750,000 people to stabilise. Having suddenly attacked the PUK during US- and British-mediated cease-fire negotiations, Mr Barzani, surprised as anyone else at the speed of his success, tried to appear magnanimous in victory by announcing an amnesty for all PUK members, including Mr Talabani.

KDP looting and burning was reportedly restricted to rivals' bases. Some Iraqi Kurds who had fled Sulaymaniyah were reported yesterday to have started to return. A few shops reopened and people swapped green PUK flags for the yellow of the victorious KDP.

Some analysts believe Mr Barzani, rather than President Saddam, has been the main winner in 10 days' fighting that have made him master of the 3.5 million Kurds in the three provinces of northern Iraq. "In immediate terms the KDP is the winner. In the strategic picture Baghdad is coming out very nicely indeed," said Rose-

mary Hollis, head of the Middle East Programme at the Royal Institute of International Affairs in London. "The KDP could still get in trouble. But ... one shouldn't put too much stress on the Iraqi control of the KDP. From their perspective, they could prove quite right to have bet on a new relationship with Baghdad."

Even though the policy of a Western-protected "safe haven" has collapsed, the first benefit for ordinary Iraqi Kurds may be quick to come. President Saddam announced an end to the internal embargo placed on Kurdish areas since 1991.

The measure blocked normal supplies of everything, even schoolbooks, to the landlocked north. Kurds wishing to travel to government-held areas to visit relatives or buy essentials had to travel to the Iraqi army lines in batches of 60 at a time.

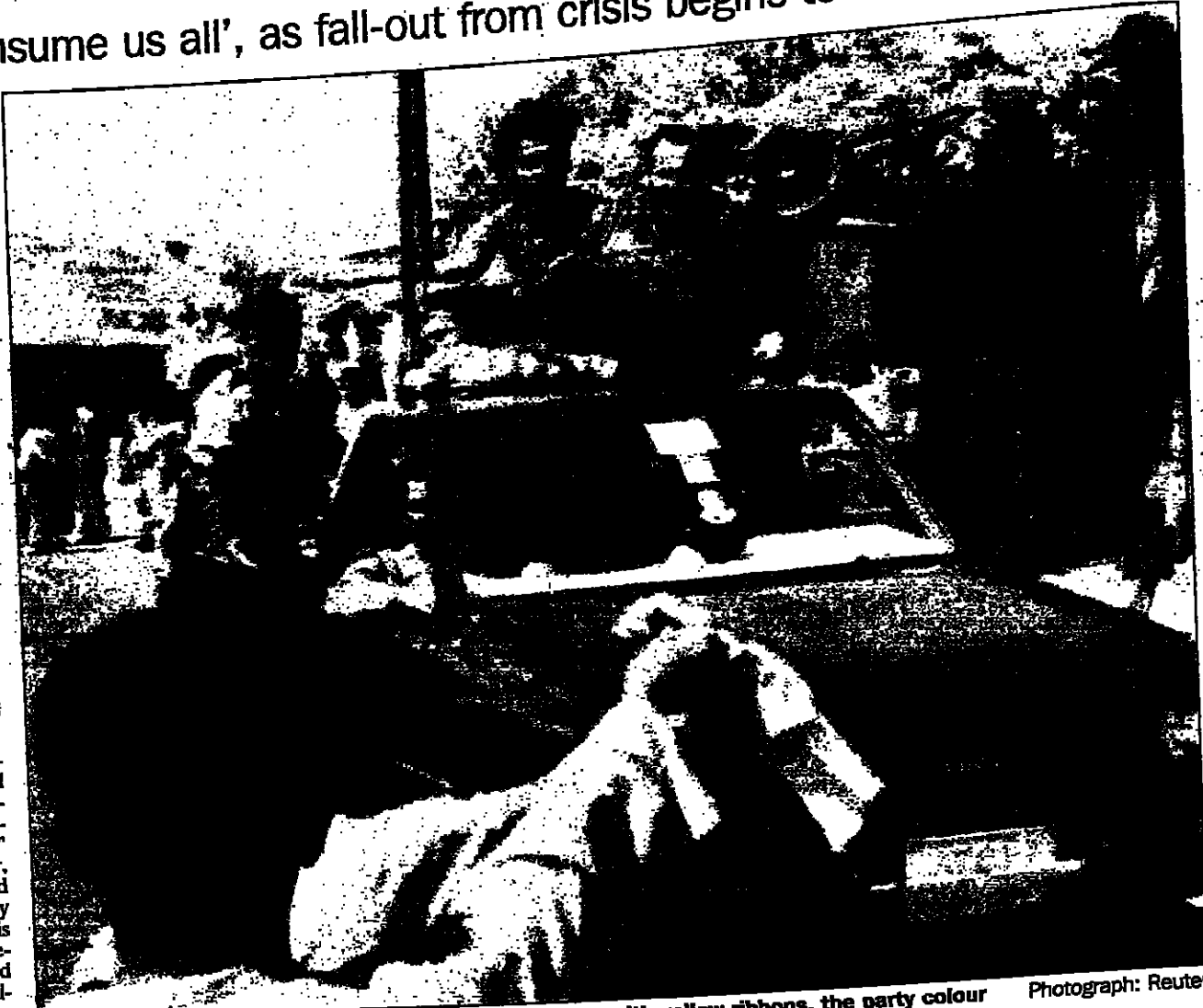
But few Iraqi Kurds can forget it was a brief spurt of Iraqi artillery and armoured support that set the KDP off with the

seizure of the Iraqi Kurdistan capital of Arbil.

Baghdad was not slow to claim the victory as its own. The fall of Sulaymaniyah, Iraqi newspapers said, was a crushing defeat for the United States. The PUK also thought so, saying the KDP was a pawn of a regime that has killed 180,000 Iraqi Kurds, including 8,000 members of Mr Barzani's clan, and razed 4,000 Iraqi Kurdish villages. "In signing with Baghdad the KDP has mounted a tiger which will destroy us all," a PUK statement said.

"Once Saddam controls Kurdistan, he will no longer need his Kurdish ally and will consume the KDP and what remains of the Kurdish people."

Analysts doubted, however, that President Saddam would want to risk moving openly into the north. The KDP is clearly also betting on this, believing any such action would provoke more American retaliation like last week's cruise-missile strikes.



Patriot games: Children in Dukan greet KDP conquerors with yellow ribbons, the party colour Photograph: Reuters

## Cracks show in Clinton strategy

RUPERT CORNWELL  
Washington

The capture by pro-Baghdad forces of the Kurdish city of Sulaymaniyah, following the apparent dismemberment of two dissident Iraqi groups backed by the CIA, have dealt heavy blows to the Clinton administration's strategy in Iraq and could turn its handling of Saddam Hussein into a significant issue in the presidential campaign.

The Iraqi National Accord and the Iraqi National Congress have been largely broken up, the first when 100 INA activists opposed to President Saddam were executed earlier this year, the second with the seizure 10 days ago of Arbil, where the INC had been based. The Washington Post said 200 INC members had fled to the mountain town of Salahuddin, appealing to their erstwhile US protectors to rescue them from President Saddam's revenge.

Yesterday US officials said some Iraqis who had collaborated with the CIA had been flown out of the country. But the main focus is on Iraqis working for the UN's Operation Provide Comfort mission. Administration spokesmen do not rule out more reprisals against Baghdad, after the cruise-missile strikes in southern Iraq last week. That likelihood has grown fol-

lowing claims by the Pentagon that the Iraqis are rebuilding some air-defence installations destroyed in the attacks.

But the Kurds in the north are being left to their own devices, at least until they patch up their internal divisions. Failing such reconciliation, Mr Clinton made clear, the US will not involve itself directly there.

Mr Clinton's Republican challenger, Bob Dole, has shied away from frontal criticism of the President, even though he trails far behind Mr Clinton in the polls and foreign policy is one of Mr Dole's perceived strengths. But he is edging closer, with a statement suggesting US interests had suffered in the region, and warning his opponent to "be careful" about claiming unwarranted victories and "giving assurances it is unable or unwilling to fulfil".

The White House accused Mr Dole of playing politics with an international crisis. But that argument could lose force now President Saddam is in firmer control of Kurdish Iraq than at any time since 1991. And public pressures for direct US intervention could grow if his victories produce a repeat of events of that year, when hundreds of thousands of Kurdish refugees fled in the wake of a failed uprising after the Gulf war - all live on US television.

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# Antidissestablishmentarianism confounded

The Robert Runcie story is, at least in part, the story of what happened to Britain's post-war institutions. Here was a brave man who had a good war, who rose as a thoroughly dedicated and intellectual servant of the Church of England; who was affected by the cultural revolution of the Sixties; who spent his best years managing retreat on behalf of a once-great institution riven by splits between modernisers and traditionalists, incurring the disdain of both sides; who was regarded with deep suspicion by Margaret Thatcher, and who has now been severely embarrassed by a biographer and a Murdoch newspaper. It is a tale of our times, with echoes throughout the Old Establishment, from the BBC to Parliament, from the City to the Palace.

Runcie's disappointment with the spiritually inclined Prince of Wales, who was in turn clearly disappointed with the archbishop, is recounted in salty language familiar from mainstream political memoirs and press interviews. His private paranoia about homosexuals, which coexisted with a public face suggesting relative tolerance, reflected a world in which the old norms of behaviour had broken down. The Church of England has always attracted some gay men, and others who were merely much impressed by lace and fine stitching; but it was only when homosexuality started to lose its public shame that the "gay threat" occurred to its leading figures. In broadcasting and politics too, heterosexual men muttered worriedly about gay cliques. Runcie, like other public figures, assumed that his rather uncharitable and sometimes bitchy remarks would stay within a small circle of his peers - at least until his death. Runcie, like others, was undone by his urge to explain himself and the exigencies of journalism.

The former Archbishop of Canterbury is not, therefore, to be excused from taking responsibility for his indiscretions. They were not a striking example of the Christian virtues of tolerance and love. And if he did not know that his biographer would trumpet the Runcie revelations from the highest hill, then he was being hopelessly naive. A holy fool? No, not quite that either: if he had deliberately sought to re-envenom some of the Church's bitterest disputes, he could hardly have succeeded better.

The fact that this has been achieved through that once-dusty branch of *belles lettres*, biography, is also a thoroughly modern thing. Biography has attained great cultural significance - it sometimes seems as if life-as-reported has started to substitute for life-as-lived. The great biographers rival and sometimes surpass the novelists, and certainly the poets, as high-earning publishing superheroes. No wonder, then, that yesterday's papers should have the biographer of the Prince of Wales engaging in vicarious defence of his subject against Runcie's Mr Carpenter - as if biographers were all-purpose ventriloquists and their subjects were all-purpose dummies.

Should we even bother listening? Is it more than a passing episode in the national soap opera? The Church of England, after all, is attended by a tiny minority of regular worshippers, and has a minimal impact on the spiritual or moral life of the English. Yet we attend to its internal ructions for some plausible reasons. In a fragmenting age, in a fissiparous country, the Church's status as an Aunt Sally increases as its congregations dwindle. We cling to institutions that seem still to embody the struggling, insecure nation and magnify their dissensions for what they may tell us about ourselves. The Church of England is there to lead. And yet apparently, it cannot lead: most people would not accept thunderous moral certainties from their bishops, yet simultaneously giggle at their hawking and indecision.

So Lord Runcie's conduct poses questions that go much wider than one man's indiscretions and the hunger of the media for sensational tales of Charles and Di and the Anglican hominid. The most important of these questions is constitutional. Other churches are voluntary organisations. If they conduct themselves according to the laws of the land, balance their accounts and avoid the attentions of the Charity Commissioners, they deserve a degree of privacy. We might hope that, for example, leading members of the Methodist Church are good men and women, but what they do and think is largely a matter for their coreligionists. But the most trivial armchair remarks of Church of England chieftains pique our interest - because it is the state church.

Some say that the Church of England has already achieved *de facto* disestablishment. Certainly, the amount of political involvement in its appointments is minimal. Barring the interest of a few House of Commons mavericks, Parliament has largely given up any pretence at interest in church affairs. Yet the peculiar relationships between monarchy, state church and state persist. It still says on the coin *Deo Gratias Regina Fidei Defensor*. Were the Queen to perish tomorrow, Charles Rex would become head of that other divorced man's (Henry VIII's) church. Leaving the Church of England's historical and constitutional position to atrophy won't do. The formal and legal bonds remain.



ONE CANADA SQUARE CANARY WHARF LONDON E14 5DL  
TELEPHONE 0171-293 2000 / 0171-345 2000 FAX 0171-293 2435 / 0171-345 2435

## Early man stood the test of time

Rip out those pages from the school textbooks, we got it all wrong. That shuffling procession of ancient hominids, from the hairy, tree-bound ape to upright, clean-shaven man, is all nonsense. Had our ancestors slouched when they came down from the trees, they would never have survived. *Erectus*, it transpires, is the only efficient way for *Homo* to be, because slouching takes up twice as much energy.

At least it gives teachers and parents a good line to try out on their sullen and idle youths: keep slouching about like that, and you're heading for extinction.

## LETTERS TO THE EDITOR

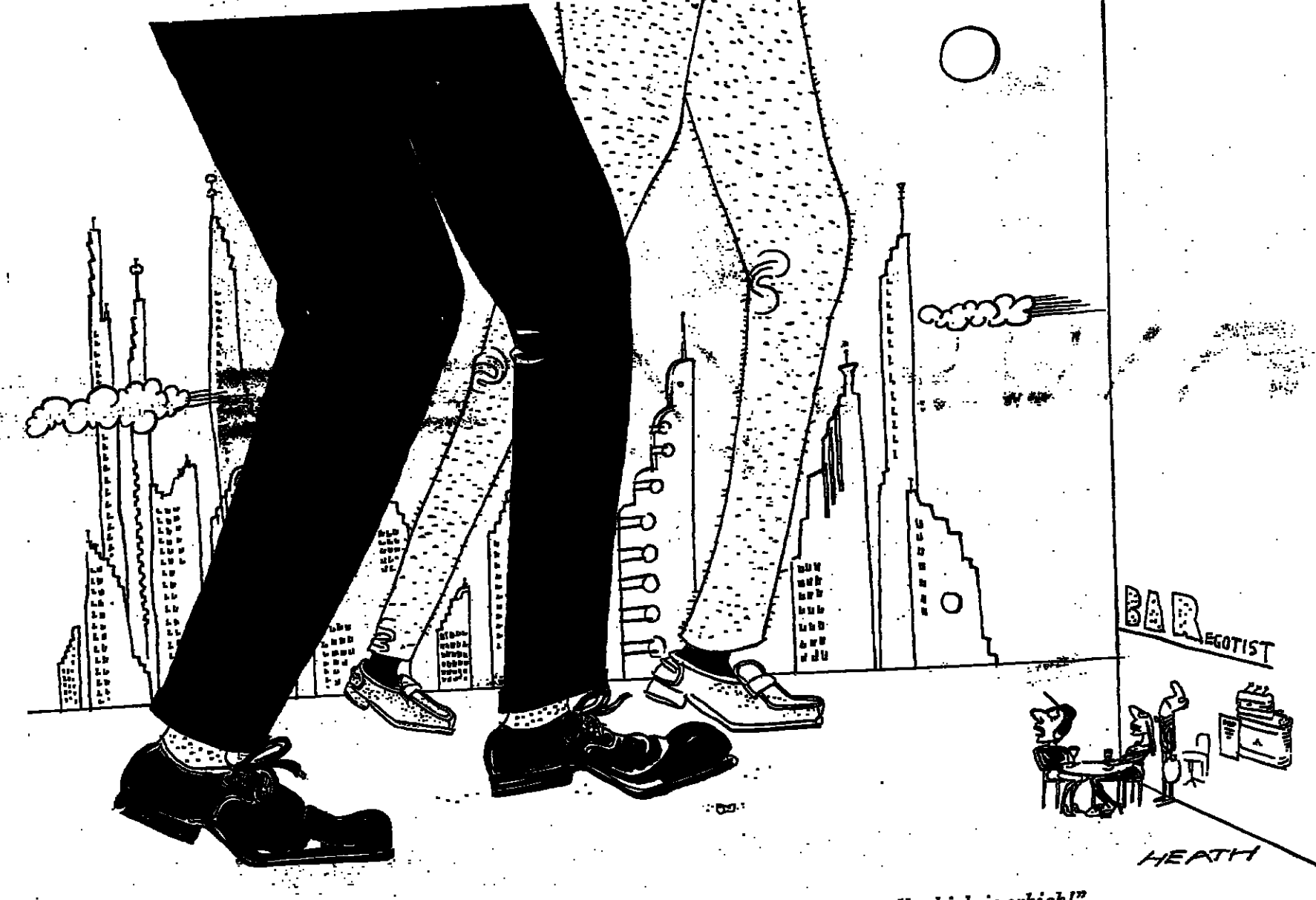
### Life or death choices for the elderly

Sir: Polly Toynbee ("The right to lead a living death", 9 September) portrays the situation of elderly nursing home residents in unnecessarily gloomy terms.

Depressive symptoms are common amongst elderly people in nursing homes, but a significant proportion suffer treatable clinical depression rather than "understandable" sadness over their predicament. Those of us who work in old age psychiatry find that therapeutic nihilism is one of the main obstacles to the appropriate management of depression in the elderly.

The danger of euthanasia is that it gives society in general, and the caring professions in particular, the option of not trying to improve the lot of debilitated people. A line must be drawn between reasonable and unreasonable attempts to enhance quality of life, but the provision of simple psychological support combined with an antidepressant to a severely depressed nursing home resident must surely be classed in the former category.

Dr SIMON THACKER  
City Hospital  
Nottingham



"It's Sir Norman Foster and Lord Rogers. But I can never tell which is which!"

Sir: May I add my voice to the many others which I feel sure will be raised in support of Polly Toynbee's line of reasoning. I for one have experienced multiple cancers and now live in constant pain.

I would count myself lucky to die of a sudden heart attack or in a suitably dramatic accident. But the probability is that I will have to endure years of increasing agony with no prospect of improvement.

Life was thrust upon us all. We are not here by our own choosing, and very few would now argue that some divine force was responsible. Those of us who wish it should be afforded that right to determine the timing of our own departure from prolonged and pointless suffering.

Dr EVA KASAP  
Maidenhead,  
Berkshire

Sir: In the course of the *Cutting Edge* programme "The Home" (Channel 4) viewers saw some of the residents of a residential home recalling happy memories, eating and drinking with relish, singing, taking pleasure in personal possessions, laughing, talking with each other, with relatives and with staff, going on outings, playing games, and being compassionately cared for.

We also saw some for whom their surroundings or the care they received were clearly not providing them with the having to cope with disability and pain, and one or two who confessed when questioned that they were looking forward to death. Polly Toynbee apparently saw only "the horror of the life these people lead, doing nothing, going nowhere, alone, forgotten".

At Counsel and Care we believe that the quality of life of older people in homes could often be greatly improved by more professionally trained managers, better pay for care staff, more effectively adapted buildings, stronger links with the community outside, a better understanding of conditions such as dementia and depression by clergy and other visitors, and a much wider and more stimulating range of

activities. Polly Toynbee's only proposal is for readily available euthanasia.

Our solutions, it is true, would require extra resources. Polly Toynbee's would be very cheap.

JEF SMITH  
Counsel and Care  
London NW10

Sir: Polly Toynbee is right to condemn the appalling practice of "warehousing" older people in care homes until they die but she proposes the wrong solution: the answer is not euthanasia, but rather to extend community care and abolish or severely curtail the use of care homes.

Residential care has largely been rejected as an appropriate model of care for other client groups - the mentally ill, those with learning disabilities, and children: we must now question why we still tolerate it for older people, when we view with horror the idea of suffering such a fate ourselves.

We need stronger financial and structural incentives for local authorities to support older people at home, while health care needs should be recognised as such and be met by the health service.

EILEEN NEILSON  
London NW3

Sir: S R Dowsett (Letters, 28 August) complained of the number of patients lodged in our hospitals referred to as "bed blockers".

I spent 17 years of employment within the NHS and look back with wonder to the dedicated complete health care available to all in need, regardless of wealth or age. Then there were only patients - no talk of "bed blockers", age discrimination, cost efficiency.

We had then hospitals that never

turned away emergencies because of lack of beds or staff to cope. We also had available convalescent homes for recovery that included doctors and trained nurses.

All this was free of charge, as were dentistry and optical care, during a period of far greater financial restraint, including the often long-term care of the many victims of six years of warfare.

Last year was the 50th anniversary of the war's end. It was also the year in which 40,000 people had to sell their homes to pay for what they had surely earned and paid for in their younger years. Now they can be "bed blockers" in what was once "our" NHS.

ARTHUR B WALKER  
Berkley,  
Gloucestershire

### How to fight the telephone robots

Sir: Surely I am not the only one exasperated by companies who subject callers to hours of robotic music and messages on hold? Some companies have kept me waiting for over an hour, regaling me with irritating sounds and supposedly soothing recorded comments, advising me that an operator will deal with my call shortly. Why do we put up with it?

This week I decided to give these companies a taste of their own medicine. I have set up a special telephone line with a spoof recorded message enough to drive people barmy. In future, organisations that subject me to

hours of recorded drivel will be requested to phone me back on my special line. It's time they knew what it was like.

JON DANZIG  
Watford,  
Hertfordshire

### Cash is the crux for us parents

Sir: The report about violent crime being linked to birth complications and maternal psychology ("Seeds of violence sown in the cradle", 3 September) was fascinating. Yet more fascinating was Professor Raine's desire to "take a sample group of poor mothers and give them a lot of antenatal care" for further research.

I am a "poor" mother - that is, my daughter and I exist on state benefits. Most of our neighbours are struggling too, and whilst many of us may not be better parents than those above the poverty line, we are as capable. The environment in which we live - cramped housing, constant juggling to balance the books, inability to buy our children new clothes as often as we like - certainly creates tensions, but this has more to do with a lack of money than a genetic predisposition to be bad parents.

The tone of your article was simplistic, suggesting that "the poor" breed violent offspring. But I don't suppose that matters, since us poor folk can't read big newspapers.

CLARE PROUT  
London W10

### Champion of pedestrians

Sir: C H Standfield (letter, 10 September) is a little behind the times. The Traffic Director for London has been extending raised pedestrian surfaces across side roads on Red Routes for some time. Unlike the typical black road bump, these are designed with a relatively gentle profile. They thus cause no great inconvenience to cyclists or ambulances, but, being distinctively coloured, send a clear signal to turning motorists.

The Traffic Director (a bogeyman for many environmentalists) recognises that the theoretical priority given to pedestrians by the Highway Code needs help to be effective. If he can make it work on Red Routes, borough engineers could do the same on almost all other roads.

TONY ALDOUS  
Transport Chair  
London Forum of Amenity Societies  
London SE13

### Private school tables are fair

Sir: Unlike the letter from John Roater (6 September), there is nothing misleading about GCSE results published by the Independent Schools Information Service.

Given the overall excellence of independent results, it may be understandable that he can interpret them only by assuming

that weaker pupils are not entered. That is nonsense. He says the Department for Education and Employment tables are based on pupils on roll in the last list. We conduct our own annual census on the same date in January as the DFEE. He says state schools enter pupils for GCSE "when they feel a grade can be obtained between A\* and G". So do independent schools.

We tell schools that the number of candidates whose results are counted must correspond with the number of year-11 pupils declared by the school in the census. We also tell them to count all results for all candidates whether entered by the school or privately - so that schools cannot distort their results by entering weaker pupils as private candidates.

DAVID WOODHEAD  
National Director, Isis  
London SW1

### Speak up, Norma

Sir: Andrew Marr ("Battle that turns women into glove puppets", 3 September) is the only commentator to raise the interesting question of Norma Major's political views. Earlier this year the tabloid press went to great lengths to unearth evidence of Cherie Blair's political views of 16 years ago, when she briefly stood as a candidate.

Since Norma has now come out of the closet as a powerful campaigner and influence on her husband, surely we should be told where she stands on issues such as Europe. Or is it only Labour wives from whom this sort of detail is expected?

ROSEMARY MAGRATH  
London SE23

### My computer got prime number

Sir: Congratulations on giving front page prominence (5 September) to the new largest known prime number, "which has been proven prime by a computer at Cray Research, Wisconsin".

William Hirston goes on to say (perhaps not entirely seriously) that "we had intended to print the new top prime in full, but - perhaps for reasons of security - the people at Cray have not divulged all its secrets".

One doesn't need a super Cray computer, costing millions of dollars, to calculate the digits of this new prime: all that one needs is a modest 486 and a modestly priced "computer algebra software" such as MAPLE (a remarkable development by the mathematics department of Waterloo University in Canada). I have just used my home PC and MAPLE V-Release4 to calculate the new prime, and to readers may be interested to know that its first and last ten digits are 412257736 and 6089366527.

Dr JOHN COSGRAVE  
Mathematics Department,  
St. Patrick's College,  
Dunlough, Dublin

### Not really useful

Sir: Thomas the Tank Engine is to be floated ("Next stop London: Thomas heads for the stock market", 9 September). Does this mean that we'll end up with a Fat Cat Controller?

HELEN HITCHCOCK  
Woodlands, Dorset



## analysis: the education panic

Some say that schools are fomenting a 'no blame, no shame' culture; others say that on the contrary, they are helping to hold an increasingly immoral society together. Fran Abrams sifts the evidence



RONALD SEARLE. BACKCLOTH DESIGN FOR REVUE SKETCH 'SUNNY GIRLS', ST THOMAS'S, 1990

## St Trinian's: fact or fiction?

At 8.15 on a typical morning at Malmesbury Junior School in Bow, east London, the headteacher, Michael Russell, can be found in the playground, greeting the children and supervising their pre-school games.

If things get a little rough he will remind his charges about the need for fair play. If one child is standing on the sidelines, the others will be encouraged, in the interests of kindness, to include him. There will be no moral lectures, but the need to know right from wrong will be gently emphasised when the opportunity arises.

Later in the day, Mr Russell might have to talk to a child who has been rude to a lunchtime supervisor, and to remind him of the need to be polite and respectful to members of staff. There will be an assembly, perhaps, on children's responsibility to keep the school rules and to consider

other people's needs. If it is a Friday, there might be an afternoon story. Perhaps it will be the tale of an arrogant professor who despises the humble boatman but who ends up drowning because of his lack of sailing expertise.

"All the schools I know are heavily laden with values," Mr Russell says. "The notion that schools no longer value good behaviour, the work ethic, public spiritedness and civic responsibility is wrong." But the approach used by modern schools, of which Malmesbury is typical, is under attack.

Critics say they have adopted a relativist morality under which a drugs dealer might be regarded as no better or worse than a bishop. In her new book, *All Must Have Prizes*, Melanie Phillips describes Britain as "the no blame, no shame, no pain society", and argues that schools are at the centre of a decline in morality and authority. Teachers and parents are so worried about children's rights

that they are failing to tell them what is right and what is wrong, she says.

Others would go further. Many on the far right still believe that the abolition of corporal punishment in 1987 and an accompanying relaxation of discipline have allowed standards of behaviour in schools to spiral out of control. Children no longer have respect for their teachers, they say, and their parents are not helping. At home, they are allowed to watch violent videos and to stay up late, and little value is placed on education. More and more are starting school with bad attitudes picked up at home, and are behaving aggressively and even violently towards staff at an early age, critics say.

In addition, assemblies, traditionally at the heart of schools' efforts to impose a moral code on children, have been the subject of a political struggle over the past three years. Under the 1993 Educa-

tion Act, there must be a daily act of worship which is "wholly or broadly of a Christian character" and which accords a special status to Jesus Christ. Schools inspectors have found that 72 per cent of secondary schools and 13 per cent of primary schools are failing to com-

ply with the law. Many headteachers argue that not only do they lack a room big enough, but to preach Christianity in this multicultural age would be highly provocative.

So, where is the evidence? Are schools caught up in a maelstrom of moral decline? Or are they the last bastions of civilisation in an increasingly fragmented society where family structures are being eroded by soaring divorce rates?

It is, of course, difficult to quantify how moral schools are. Headteachers, to a man and woman, would agree with Michael Russell that it is impossible for them to operate without a clear moral structure. Children spend their whole time at school being taught how to behave in a socially acceptable manner, they say. They have some support from the School Curriculum

and Assessment Authority, which has set up a forum on the spiritual and moral development of young people. It agrees that schools do aim to promote values and to encourage responsible behaviour in young people, and that most include this in their prospectuses.

New guidelines are planned to assist them. "Schools are actually helping to hold society together in lots of ways, in terms of modelling a moral and responsible community. If there is a fairly public statement about fundamental values, we hope that will

be at least satisfactory in almost all primary schools and most secondary schools. There was no sign that overall standards of behaviour in most schools were falling, it concluded.

Their findings were backed by a report from the Scottish Council for Research in Education, based on the views of more than 400 headteachers and 1,000 teachers. While only 2 per cent of teachers said they faced physical aggression as often as once a week, one in five complained of verbal abuse. Pamela Munn, one of the authors, said that what really wore teachers down was "the drip-drip effect" of small misdemeanours.

Children no longer sit in rows, and much of their work involves collaborating with fellow pupils, so it is not surprising that there is a buzz of conversation in most modern classrooms. Most teachers, if pushed, would agree that this is a small price to pay for a school atmosphere that is indisputably more liberal and relaxed. Few would want to return to the Fifties, when discipline was tight, corporal punishment was common and the teacher's authority was unquestioned. Dr Tate recalls that when he started teaching in the Sixties, schools were not expected to be responsible for preventing bullying, for example - it was simply a fact of life. Now every school has an anti-bullying policy.

So why is there such a common belief that violence is

increasing? There is, of course, more than one culprit. First, a violent child always makes good newspaper copy and there have been a number of high-profile cases. Second, some teachers' unions have not been eager to correct the misconception. The National Association of Schoolmasters/Union of Women Teachers has been waging a campaign on the subject, and its members in several schools have threatened to strike rather than teach a disruptive pupil. Third, the number of pupils excluded from school has risen sharply, aiding the impression that discipline is getting worse.

This last phenomenon deserves examination. It suggests that if pupils are not getting more violent, then perhaps teachers are getting more intolerant. If this is so, the truth about discipline and moral values in schools is at odds with the view that teachers are "killing with kindness". Since 1990, the number of permanent exclusions from schools each year has risen from less than 3,000 to more than 10,000. Ofsted believes that even schools that do not have discipline problems are finding it increasingly difficult to cope with children who do misbehave.

Recent changes in the law which restrict the length of temporary exclusions have certainly forced schools to permanently expel more children, but there is perhaps also a growing feeling among teachers that they are in school to teach. They are not there, they would say, to wipe noses, to administer medicines, to ensure the future of the Anglican religion through assemblies or to cope with the tantrums of children who have been failed by their parents and by society.

They might be right. Over the past decade, schools have taken on one new role after another. The national curriculum ensured that teachers taught everything from sex education to computing, while heads took on the roles of business managers, chief executives and maintenance supervisors. The new moral guidelines being planned by the School Curriculum and Assessment Authority will simply add one more item to the plethora of matters to which teachers must attend.

Schools already spend a great deal of time on morals, and even more on imposing the discipline needed to maintain a calm, orderly atmosphere. But in all this, perhaps we have allowed ourselves to forget that there is nothing more important than basic skills such as literacy and numeracy. There is already evidence that these have been squeezed by innovations such as the introduction of science in primary schools.

Schools cannot operate in a moral vacuum, and would never try to do so. But if society in general and parents in particular took full responsibility for the morality and behaviour of their offspring, maybe teachers could spend more time doing the job they were trained to do.

## What really wore teachers down was the 'drip-drip effect' of small misdemeanours

## THE CHARGES AGAINST EDUCATION

• Teachers no longer teach children right from wrong. Instead, they have descended into the sort of moral relativism that extends the same level of sympathy to criminals as to their victims.

• Children, unsettled by the chaotic, ill-disciplined atmosphere in schools, are becoming increasingly badly behaved and often violent. As a result, the number of exclusions is rising rapidly.

• Schools frequently break the law on religious assemblies, which says they should hold a daily act of worship which is mainly Christian and which accords a special status to Jesus Christ.

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## Eggsistential guide to eating your art out



Miles Kingston

Today, a complete Post-Modernist tale entitled: "Eggs Any Style".

When you have booked yourself in for a fortnight at a seaside hotel to get away from it all, the last thing you want is another set of problems. But, as the man found out, even at a seaside hotel there are new problems. Such as what to have for breakfast.

The man studied the breakfast menu on the first day and hesitated. There were things on the menu that he had not eaten for months. Things that sounded

simultaneously tempting and threatening. Black pudding. Kippers. Arbroath smokies...

"May I take your order, sir?"

He looked up into the face of the waiter, a smooth expressionless face. He smiled at the waiter. The waiter did not smile back. Suddenly he felt animosity towards the waiter. He looked again at the menu. His eye fell on an item he had not noticed before. It said, "Eggs, any style". "I'd like eggs, please," he said.

"How would you like them?"

"Art Deco."

"Excuse me, sir?"

"It says, 'eggs any style'. My favourite style is Art Deco."

The waiter's face flickered ever so slightly.

"I'll see what can be done, sir."

He returned 10 minutes later with a boiled egg sitting at the top of a very thin, very tall, undeniably Art Deco egg cup. It had a very long, undeniably 1920s spoon with it.

"Thank you," the man said.

"Not at all," said the waiter.

The next morning at breakfast the man looked at the waiter in the eye and asked for neo-classical eggs.

"I'll see what can be done, sir," said the waiter.

He returned with a plate of scrambled eggs, arranged tastefully under a Palladian arch of toast.

"Thank you," said the man.

"Not at all," said the waiter.

On the third day the man asked for Fauvist eggs.

"I beg your pardon, sir?" said the waiter.

"Fauvist. Fauvism was a short-lived painting movement which preceded Cubism, distinguished by its love of bright colours and bold shapes..."

"I am perfectly well aware of the nature of the Fauvist movement, sir," said the waiter. "I was just not sure whether you had actually said 'Fauvist'." It sounded a little like 'Fascist' and a little like 'Vorticism' and a little like...

"Fauvist," said the man.

"Very good, sir," said the waiter.

What he brought back was a plate of eggs loosely cooked and dyed with purple and red, smeared across the plate to look like an angry sunset. It was inedible. But it was undeniably Fauvist.

"Thank you," said the man, pushing the mixture to the side of the plate.

"Not at all, sir," said the waiter, taking the plate away.

On succeeding days the man asked for his eggs to be done in a dizzying variety of styles. Futurist, absurdist, Celtic revivalist, Early English, Jazz Age, even melodramatic.

The waiter, backed by an imaginative kitchen, was never once baffled.

The Celtic revivalist eggs had come coddled in a nest of seaweed. The Jazz Age eggs were done with gin. For the eggs in the style of melodrama, the waiter had brought them simply boiled, then yelled out: "For God's sake, sir, before you eat those eggs, think of your daughter Nell who even now is being seduced by her cruel landlord for a matter of rent money so small that you could easily have paid it yourself for the very price of these eggs

themselves, which have incidentally been poisoned not a moment ago in the kitchen by the very woman you wronged so many years ago in Calcutta!!!"

The rest of the dining-room had listened in aghast, but the man had to agree that the waiter could not be faulted. On the last day, at breakfast, the man asked for his eggs to be done in a post-modernist style.

"We at this hotel do not think that post-modernism is worthy to be called a style, sir," said the waiter coldly. "It is merely a ragbag of cultural mannerisms."

"So you will not bring me a post-modernist style egg?"

"No, sir."

The two men stared at each other, eyes deadlocked.

"In that case," said the man, "bring me Arbroath smokies."

The waiter went away triumphant. He told the kitchen that they had outsmarted the egg-eater. In fact, the truth was quite different. After nearly two weeks of eggs, the man was desperately constipated and needed almost no excuse to choose something else.



## Politics in action — the decline of democracy

Over recent weeks, and for that matter years, the story of British politics has been essentially a simple one: there has been an unstoppable right-wing ratchet at work.

Thus, recently, John Major makes implausible-sounding pledges about tax; Tony Blair caps them by offering lower taxes at basic rates and hinting that there will be no higher taxes for the rich. On the unions, each leader struggles to come up with tougher anti-strike ideas than the other. On law and order, similarly, we hear the raps and barks of a populist auction.

Now, is this evidence of a great and genuine democracy in action, a historic change in the mood of the British political nation... or does it show the opposite, a once-vibrant democracy turned dodder and drooping? For millions of abstentionist Britons — on past trends we can assume that around 10 million won't vote in the next election — this "Toryer than thou" competition feels like the negation of democracy, even of politics. All sorts, radical rightists, younger voters, environmentalists, socialists, anti-Europeans, and some who are merely old and observant, are excluded from top-table politics.

The targeting of uncommitted swing voters in marginal constituencies has, election after election, slowly narrowed the agenda. An election is coming, so other kinds of choice, difficult policy choices, such as the limitations of tax cutting and public spending, are put into storage until the voters are well out of the way. The condition of European democracy: the future of welfare; radical agendas in education... all should be near the heart of political argument. But as the electoral choice approaches, they sink, coughing, into the shadows.

There is, however, another argument in favour of our politics. It goes like this. We have a system that is not designed to reflect every interest group in the nation — thank God — but is meant to fix the national tiller clearly for five years or so. If the competition between the parties sounds very conservative, that is because the national mood is conservative.

Though this sounds robust, it is a mystical argument: it assumes that a "national sense of direction" can be accurately divined from Tory and Labour focus groups and the warring opinions of a relatively small number of people in certain constituencies.

There are shards of common sense buried in this rubble of an argument. It is true that the big economic changes of the past quarter-century have limited the range of political options, thus driving the parties into a closer competition. But the logical problems are greater. First, is there any longer a "national" will at all? It certainly doesn't include Scotland or Wales or Northern Ireland. More concretely, there is the drawback that general elections don't produce governments which reflect the



Andrew Marr

mood of most people on polling day. The Thatcher revolution of the early Eighties had little to do with what people actually voted for in 1979; nor did Black Wednesday and its aftermath reflect John Major's 1992 programme. We voted first and got the direction later. Similarly, there are good reasons to suppose that Tony Blair in power would be a much more assertive and — whisper who dares — radical figure than Tony Blair on the campaign trail. It's a question of character. I think Mr B is unlikely to get into Downing Street and then spend the next five years discussing Roman Catholicism with Paul Johnson or practising headers with Kevin Keegan.

And there is a third obstacle to seeing the current party-political competition as a rational or objective choice. Put simply: how do we know that this timid "me too" — ism is what the country wants? If the big parties, through their control of the money and the airtime, are able to control the agenda of British politics, how are we supposed to discover whether that agenda really reflects underlying beliefs or popular choices? No, the more you look at it, the more the argument that the British political system provides, by historical alchemy, a sufficient national choice seems a comfortable, lazy excuse for democratic failure.

We have had several days now of, in effect, an election campaign. And what have we learnt? Absolutely nothing. The Conservatives were burned after 1992 by their lurid tax-based campaigning. It was clear that never again could they run the same kind of "Labour's tax bombshell" stuff and get away with it. Or was it? Now they are doing it again — different image, identical message.

It has been profoundly dispiriting. Labour is, perhaps rather attractively, utterly hopeless at knee-in-the-groin politics of the Conservative variety. The difference between Labour machiavellism and Tory ones is that Labour spies are very good at getting themselves written about, and Tory spies are good at getting re-elected.

So what is new? Well, new Labour is new by self-definition. But it bears a family resemblance to Neil Kinnock's modernised Labour Party. Blair is far tougher on tax than John Smith was. But he faces the same kind of attacks as Kinnock and is responding in the same kind of way — closing down differences, sailing ever closer to the enemy.

It is what he believes he needs to do. But it is worth remembering that Blair's radical promise, from political reform to an economic at least aware of the condition of the poor, is increasingly what he doesn't talk about. So the ratchet clicks further to the right every day he campaigns. For Labour reformers, as for Liberal Democrats, the only escape is a different voting system. Blair remains unconvinced; but neither he nor his party can afford another election campaign conducted like this one.

As the main parties lurch to the right, voters' choices are dwindling

## A welfare state of hope, not despair

A vast experiment in making the benefits system pro-work starts soon. Polly Toynbee applauds

Anxiety about the welfare state runs deep. It touches chords that tell us what kind of society we are, because the way we treat the poor, the old, the sick and the workless defines us for posterity. Are we caring and kind? Or are we pitiable and easily defrauded by the feckless? Are we creating a dependency culture that saps the will to work?

In a few days the annual thick book of dry statistics will emerge from the Department of Social Security. After a quick gasp at the colossal sum we spend, it will probably attract little attention. But there will be one particular set of figures of special interest to the cognoscenti — a huge rise in one category of claimants that ought to have Peter Lilley smiling, not scowling.

The number of people claiming family credit has doubled since 1990 and now stands at 660,000. Family credit is the only part of the whole panoply of benefits that represents hope, rather than despair — for it is the ladder out of social security and into work. It is the top-up paid to low-earning families with children to ensure that if they work even at a very low-paid job, they will (almost) always be better off than if they stay on income support. Nearly half of all claimants are single mothers going out to work for the first time.

But the benefit also causes anxiety. Does this huge growth in take-up of family credit mean the state is increasingly subsidising starvation wages? If employers know that the state will pick up the difference, doesn't it drive wages ever downwards?

The area with most family credit claimants is our new "Tiger Bay" economy in Cardiff, where even manufacturers from Seoul are moving factories in because the wages are lower in South Wales. Will family credit end up subsidising a globalised market in low pay?

No one knows what, if any, effect family credit has had on wages so far. One piece of recent research suggests that most employers have absolutely no idea what family credit is or how it works — so they are not deliberately trying to employ family men and women who would qualify. This is hardly surprising since the arcane intricacies of the social security system are a closed book to all but those



who either claim or process claims and the few academics and journalists who have an interest in it.

Eyes glaze over, pages turn rapidly when talk turns to benefit policies. Very few politicians bother to get their minds round them — most simply pass on difficult social security questions from constituents with bored incomprehension. (This near-universal ignorance, however, does not stop people from having passionately held views on the subject.)

Later this month the Government is to embark on the biggest social security experiment ever.

For the next three years in some areas, family credit, currently only available to those

with children, will be offered to anyone between the ages of 16 and 64 to see if more people can be lifted off income support and back into work with a similar wage subsidy called employment top-up (ETU). The pilot experiment in 12 key areas will cover 10 per cent of the population. In four areas there will be a higher rate, in four a slightly lower rate and in four there will be no ETU at all, as a control.

Some £3m is being spent on a close study, led by Alan Marsh of the Policy Studies Institute. It will examine the effect on claimants and on the labour market. It will be an amazingly complex analysis that should tell us how to create the right incentives to get

people back to work — without creating the wrong incentives for employers to drop wages. There will be a big advertising campaign in those areas where the new benefit will be offered.

Places chosen include inner cities, urban sprawls, rural areas and seaside towns, distinct travel-to-work zones, so that jobs and wages can be studied to see the effect of extending this low-pay subsidy to everyone. This is a sociologist's dream project and it is the way policies should be tested before they are universally applied — a rarity indeed.

What would a good result be? First, that a lot of people now out of work will find it

worth their while to get a job. Second, that a huge new raft of jobs will be created as a direct result. They may be low paid but if they are genuinely new jobs then everyone will have gained — the claimant helped out of dependency, the employer hiring a new hand cheaply and the taxpayer for the money saved by getting someone off income support on to the much cheaper earnings top-up. One question will be the "dead weight" cost — how many people currently earning low wages will qualify for a subsidy that will be pure loss to the DSS budget? Will those who go out to work outnumber those already in work making new claims?

But it also raises the spectre of a vast new army of low-paid workers, stuck for ever on a growing state subsidy. Will wages plummet? Why should the state subsidise cheap labour? If the advertising campaign to attract the unemployed works, it will presumably attract the attention of employers, too — telling the canny ones in capital letters that they can afford to depress their wages.

This is the best argument yet for the need for a minimum wage. Howard Davies, deputy governor of the Bank of England, has himself said that if there is any evidence of employers making use of the earnings top-up to feather their own nests, then a minimum wage would be an essential back-stop.

This week in Blackpool the TUC is thrashing out the minimum wage policy with Labour — the unions want it fixed at £4.26 an hour. Labour wants to start at £3.50. The lower sum would still anchor wages at a level that makes earnings top-up less liable to abuse. After all, three million people earn less than £3.50 an hour, most of them women — 72 per cent of waitresses, 36 per cent of textile workers.

The new earnings top-up is the best hope we have of getting more of the unemployed back to work — in the hope that low-paid jobs will lead to better paid jobs later. But the taxpayer needs the guarantee that employers must pay a basic minimum.

This pilot scheme is likely to prove that point. For the first time we shall have hard evidence to prove that a minimum wage is part of the armoury of putting people back to work, not, as the right claims, a mechanism for destroying jobs.

## Why we should all pay to keep Radio 3 elite

I'm happy to fund your social benefits if you'll fork out for my classical music, says Marianne Macdonald

It is quite a milestone. At the end of this month Radio 3 will mark its 50th anniversary: half a century of playing the best — and often most difficult — works of our classical music heritage.

This event will be celebrated with live broadcasts from the five BBC orchestras, invitation concerts devised by previous controllers, archive features and a specially commissioned history of the station, launched in 1946 as the Third Programme.

In parallel, however, there will also be a more difficult anniversary that Radio 3 will ponder in private: the 50-year debate over whether it should exist at all. For just as it has been lauded for half a century for its high-quality classical music, so it has been as constantly vilified for its elitism, unpopularity, self-indulgence and — given that its £56m bill is paid by the licence-payer — appalling expense.

These questions, which have swirled around the network since its launch, are more relevant today than they ever were. The Third Programme began transmitting into a classical broadcasting void (or near void), but since then broadcasting has been utterly transformed. Television gives substantial space to arts and music; commercial radio has expanded exponen-

tially; and Classic FM has famously won five million listeners since it launched in July 1992.

Radio 3, on the other hand, can claim a little under 2.3 million listeners, down 100,000 since spring, and down 200,000 since Nicholas Kenyon, its controller, took the helm in early 1992. Unlike Classic FM, it generates no advertising income — devotees can only pray that this state of affairs continues — and has apparently existed in an idealistic time-war.

Mr Kenyon's attempts to rectify the situation have only intensified the debate. Changes he has introduced include hiring Paul Gambaccini, a former Radio 1 DJ, to present the morning show, encouraging presenters to talk more, and moving *Composer of the Week* to noon. Even more controversially, the network ran an advertising campaign showing tattooed lorry drivers conducting imaginary orchestras over the slogan "Ludwig Van".

Mr Kenyon, for his pains, has earned the unkind nickname of "the Axeman" and a reputation in some circles (Gerald Kaufman, the MP; Bam-

ber Gascoigne, the presenter) as a Gerald Ratner of the airwaves. The reality is different, however. While Mr Kenyon appreciates the need to "warm up" Radio 3 and ease new listeners in, he believes that Radio 3 should stay in the top slot, intellectually and musically.

And so it should. Far from running screaming at the "threat" of Classic FM, it should stick to its guns. Let Classic FM play the pretty pieces that are so assiduously plundered for adverts. Let it play only the accessible parts of a symphony or offer classics by numbers. Radio 3 should remember what it is so stubbornly loved for: spare, high-quality presentation, live concert broadcasts, attention to contemporary composers, new drama, jazz, playing whole symphonies, and brushing the dust off neglected works.

This is what the licence fee helps pay for, and a lot more. Radio 3 helps to support three of the BBC orchestras (the Scottish Symphony, BBC Philharmonic and BBC Symphony) so indirectly providing cheaper ticket prices for their concerts. It encourages

contemporary music and drama by commissioning new works and has introduced classical music to literally millions, via the Proms.

Detractors argue that that is all very laudable, but not at their expense, and they are right, if they do not want to be supported by the state when they lose their job, or get sick, or cannot afford to fight a court case. For whether you are talking about tax or a television licence fee, it is exactly the same principle. That kind of quid pro quo — where we all contribute to the cost of services that we don't necessarily all use — is exactly what civilised society is about. For if Radio 3 stops serving the most informed and "able" classical music listeners, who will?

The reality is that the fundamental question to be addressed today is not whether Radio 3 should exist, or be given so much money to do so, but how to ensure that it continues to broadcast the same way for another 50 years. This is no imaginary danger. There can be no doubt that, just as it has occurred to the Government that Radio 1 would make a lot of money if

privatised, it has cast avaricious eyes over Radio 3.

Who knows whether the highest echelons of the BBC would — privately of course — accept such a loss if they won the continuation of the licence fee in return (another quid pro quo, although a considerably less palatable one). Such a scenario would, after all, explain its apparently irrational decision in Radio 1's case to drive its listenership down in terms of age, alienating millions of listeners.

It would be so easy to hivel off the former Third Programme, invite the advertisers to flood in, and watch the pound signs spin. Then, as in the newspaper market, the slide would be down to the middle. Radio 3 would be forced to adopt Classic FM tactics in earnest and the likes of Paul Gambaccini, instead of being booted off-stage, would be here to stay.

Gerald Kaufman complained volubly when Mr Kenyon set about making Radio 3 more accessible that he was going to eat it for breakfast rather than listen to it. But there are millions who would still like to tune in to it in the mornings. Mr Kaufman, and influential critics like him, should be directing their energies at making sure that Radio 3 does not end up as shreds in this Government's mania for dismantling.

## Hillary vs Liddy: a cookie war

Ann Treneman on how recipes can win votes

The Great American Election Battle has begun: official. How do I know? Not by watching the conventions — both are about as interesting as your neighbour's holiday video, and Americans (except the press) treat them accordingly. The way you know that the campaign is serious is

when the women are back in the kitchen.

This week is crunch time for Hillary Rodham Clinton (Yale Law School) and Elizabeth "Liddy" Dole (Harvard Law School) in the battle of the biscuits. Postal votes in the Second National Bipartisan Cookie Cook-Off are overdue, with *Family Circle* magazine promising results in October. Meanwhile, America can only sit and chew over the merits of Hillary's recipe for chocolate chips and Liddy's for pecan roll cookies. "Put your partisan prefer-

ences aside — whip up a batch of each and tell us which cookie brings more to the party," says *Family Circle*.

This should be ridiculous: Hillary is a legal baroness — baronesses are not required to make tasty biscuits too. Liddy has had a tiny career benefit Secretary of Transportation under Ronald Reagan, Secretary of Labour under George Bush. She is now on leave as president of the American Red Cross, overseeing a \$1.8bn annual budget and 32,000 employees. Hillary was just a beginner

on the campaign trail when she defended her legal career by saying: "I suppose I could have stayed home and baked cookies..." The remark caused a media feeding frenzy. Since then she has rarely been seen in public without oven gloves.

Hillary has picked a smart cookie — it is hard to go wrong with chocolate chips. But the recipe does have its quirky moments. It makes seven-and-a-half dozen — 10 of the things — which means she is either expecting company or communism. Each cookie is worth 65 calories and has 3.65g of fat. Ingredients include something called "old-fashioned rolled oats", which

sounds like a bid for the family values high ground to me. Preparation time: 20 minutes. Baking time: 8 to 10 minutes.

Elizabeth's recipe has a normal name, Dole's Pecan Roll Cookies, but nothing else about it is even remotely ordinary. It is so strange and so sweetly Southern that it must be her own. "It's a cookie that a debutante would serve at a tea. It's a very Liddy Dole cookie," said a *Family Circle* spokeswoman. The damn things take 45 minutes to bake (*Family Circle* has had lots of readers ring up to see if this is right), and each has 91 calories and an amazing 7.68g of fat. Sin without scandal! Hillary has the incumbent's

advantage. Four years ago, she beat Barbara Bush with 55.2 per cent of the vote. What happened next? Hillary became Hillary and started to run the country (at least, that's what every American seems to believe); Barbara became known as the First Lady who wrote that classic, *Milly's Story*, in which the world is seen through the eyes of the White House dog.

Even Norma does not deserve such a fate. So far, the Tories have denied claims that she is to be their secret weapon, labelled Worcester Woman by the spin doctors. But wait, did I hear someone mention something that sounds like sauce? Can a recipe be far away?

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then units are sold	1400 Shares International Bar A	6777	7021	San Can Commodity Int'l
formerly 'offer'	Mid Life Global Mid Price Bar 3	1615	1575	San Can Global Mid
formerly 'bid'	100 Shares Global Price Index	3615	3585	San Can Global Mid
recognised funds	Lawrenceport International UK High 3	1815	1820	San Can Global Mid
	Lawrenceport UK Equity Acc	1815	1820	San Can Global Mid
	Lawrenceport UK Equity Acc	1815	1820	San Can Global Mid
	Legal & General Equity Acc	1400	1400	150 Henderson
	Legal & General International Acc	6250	6227	150 Henderson

Stock	Day	High	Low	Open	Close	Volume	Stock	Day	High	Low	Open	Close	Volume	Stock	Day	High	Low	Open	Close	Volume	Stock	Day	High	Low	Open	Close	Volume																																			
Alcoa	10/23	28.50	28.00	28.25	28.00	100,000	General Electric	10/23	35.00	34.50	34.75	34.50	150,000	IBM	10/23	120.00	118.00	119.00	118.00	200,000	Johnson & Johnson	10/23	45.00	44.00	44.50	44.00	120,000	Merck	10/23	30.00	29.50	29.75	29.50	80,000																												
Amgen	10/23	25.00	24.50	24.75	24.50	90,000	General Motors	10/23	20.00	19.50	19.75	19.50	180,000	Intel	10/23	35.00	34.00	34.50	34.00	160,000	McDonald's	10/23	15.00	14.50	14.75	14.50	70,000	Novartis	10/23	28.00	27.50	27.75	27.50	90,000	Pfizer	10/23	22.00	21.50	21.75	21.50	110,000																					
Boeing	10/23	40.00	39.00	39.50	39.00	130,000	Home Depot	10/23	18.00	17.50	17.75	17.50	100,000	Microsoft	10/23	60.00	58.00	59.00	58.00	220,000	Procter & Gamble	10/23	25.00	24.50	24.75	24.50	90,000	Roche	10/23	32.00	31.50	31.75	31.50	80,000	Schering-Plough	10/23	20.00	19.50	19.75	19.50	70,000	Tylenol	10/23	18.00	17.50	17.75	17.50	60,000														
Caterpillar	10/23	30.00	29.50	29.75	29.50	110,000	Lowes	10/23	16.00	15.50	15.75	15.50	90,000	Oracle	10/23	25.00	24.00	24.50	24.00	140,000	Unilever	10/23	22.00	21.50	21.75	21.50	80,000	Walmart	10/23	12.00	11.50	11.75	11.50	250,000	Zoetis	10/23	15.00	14.50	14.75	14.50	60,000	Abbott	10/23	20.00	19.50	19.75	19.50	70,000	Amgen	10/23	25.00	24.50	24.75	24.50	80,000							
Deere	10/23	25.00	24.50	24.75	24.50	90,000	Target	10/23	14.00	13.50	13.75	13.50	100,000	Visa	10/23	18.00	17.50	17.75	17.50	120,000	Cardinal Health	10/23	15.00	14.50	14.75	14.50	70,000	GlaxoSmithKline	10/23	28.00	27.50	27.75	27.50	90,000	Novartis	10/23	30.00	29.50	29.75	29.50	100,000	Pfizer	10/23	22.00	21.50	21.75	21.50	110,000	Roche	10/23	32.00	31.50	31.75	31.50	80,000							
DuPont	10/23	20.00	19.50	19.75	19.50	80,000	Wendy's	10/23	12.00	11.50	11.75	11.50	70,000	Wells Fargo	10/23	15.00	14.50	14.75	14.50	100,000	Amgen	10/23	25.00	24.50	24.75	24.50	80,000	Boeing	10/23	40.00	39.00	39.50	39.00	130,000	Caterpillar	10/23	30.00	29.50	29.75	29.50	110,000	Deere	10/23	25.00	24.50	24.75	24.50	90,000	DuPont	10/23	20.00	19.50	19.75	19.50	80,000	General Electric	10/23	35.00	34.50	34.75	34.50	150,000
Eastman	10/23	15.00	14.50	14.75	14.50	60,000	Yum Brands	10/23	10.00	9.50	9.75	9.50	80,000	Bank of America	10/23	12.00	11.50	11.75	11.50	180,000	Amgen	10/23	25.00	24.50	24.75	24.50	80,000	Boeing	10/23	40.00	39.00	39.50	39.00	130,000	Caterpillar	10/23	30.00	29.50	29.75	29.50	110,000	Deere	10/23	25.00	24.50	24.75	24.50	90,000	DuPont	10/23	20.00	19.50	19.75	19.50	80,000	General Electric	10/23	35.00	34.50	34.75	34.50	150,000
Exxon	10/23	35.00	34.50	34.75	34.50	120,000	Chick-fil-A	10/23	8.00	7.50	7.75	7.50	60,000	JP Morgan Chase	10/23	10.00	9.50	9.75	9.50	200,000	Amgen	10/23	25.00	24.50	24.75	24.50	80,																																			



## City seethes as warning hits Matthew Clark

TOM STEVENSON  
City Editor

Institutional investors were left seething yesterday after an unexpected warning from Matthew Clark sent shares in the cider maker and drinks group into a tailspin.

The company, which only last month raised shares in the City with a controversial relocation package for its chief executive, Peter Aikens, blamed soaring sales of the new breed of alcoholic "soft" drinks for a slump in demand for its Dia-

mond White and K cider brands and Babydam.

Shares in the company, Britain's second-largest cider business, plunged 33 per cent to 431p as analysts reined in their forecasts for the year to next April. Expectations that the company would make up to £70m were slashed to about £50m, causing hectic trading in the stock of more than 10 times the usual daily volume.

More than 4.6 million shares changed hands compared with average dealings over the past three months of under 400,000.

One analyst complained: "They said they had no idea that this was happening in early July when they announced results. I have to say that is unreasonable. You just don't get that sort of swing round for a drinks company. I don't think management knows what is going on or how to solve the problem."

Another broker said: "This was really quite a shock... almost every broker in London was a buyer of this stock and everyone had a tight range in expectations. We're going to see

some pretty hefty downgrades this week."

Peter Huntley, business development director at Matthew Clark, said volumes of the company's three big brands were 35 per cent down in the financial year to date which started in May after a 60 per cent decline in July and August.

He said: "Whilst it is too early to assess the impact on the full-year performance, current estimates indicate that the above factors will materially affect the results."

Analysts said it was difficult

to measure the size of the alcohol market, which includes drinks such as Bass's Hoopers Hooch and Merrydown's Two Dogs, because it had continued to grow at an accelerating pace since the new drinks were introduced last year. Mr Huntley estimated the alcohol market at more than twice the size of the premium cider market.

The alcohols, particularly popular with female and young drinkers, have unleashed a controversy over whether they encourage under-age drinking.

Drinks industry leaders agreed in January to a voluntary code of practice to try to prevent promoting the drinks to under-age drinkers or linking their consumption with sexual prowess, drugs or violence.

Clark also blamed increased sales of cheaper cider brands which had taken up most of the growth in the cider market and put pressure on the higher-priced premium brands.

That news wiped 21p, or 4 per cent, off shares in HP Bulmer, the market's biggest player. Merrydown, which makes both cider and an alcohols, Two

Dogs, closed 1p lower at 115.5p. Until recently, Matthew Clark, which under Mr Aikens had grown rapidly through acquisition, remained relatively sanguine about the threat of alcoholic soft drinks, but analysts were yesterday scornful of the company's over-confidence.

Charles Winston of BZW said: "Matthew Clark has been saying to everyone and anyone that we should not worry about alcohols. What we discovered today is that is just not happening."

The profits warning is the second serious embarrassment for the company this summer. Last month it was at the centre of a furore over a controversial £430,000 relocation package paid to its chief executive, Peter Aikens, after the company moved its headquarters from Guildford to Bristol.

The package raised eyebrows among institutional investors and prompted one large fund to sell its entire holding. It was estimated that the package represented £4,000 for each of the 105 miles Mr Aikens had moved westwards.

## China backs single HK currency

PETER RODGERS  
Financial Editor

China pulled out all the stops yesterday to reassure the City that it would back a separate Hong Kong currency, and promised that if necessary it would use its own reserves to support the 13-year-old link with the US dollar.

In a set piece presentation to 100 senior City figures at the Bank of England, Chen Yuan, deputy governor of the People's Bank of China, pledged China's determination to do everything it could to avoid jeopardising Hong Kong's prospects as a financial centre.

He said Hong Kong would continue in its present role, would become the most important funding centre for China, and "very likely for the Asian region as a whole".

He was backed by Joseph Yam, head of the Hong Kong Monetary Authority, who attacked half a dozen "highly sensationalised myths" about what China would do to Hong Kong's financial system, including allegations that it would lose its financial autonomy.

He said that in fact, the opposite would happen, because under the terms of the transfer of sovereignty there would be "an even higher degree of monetary autonomy for Hong Kong."

Mr Chen, who was introduced to the meeting by Eddie George, governor of the Bank of England, said the Hong Kong dollar would circulate as foreign currency on the mainland and the Chinese renminbi would be a foreign currency in Hong Kong.

The two monetary authorities would be mutually independent and the People's Bank of China, the central bank, would not set up an office in Hong Kong.

Mr Chen said China would support the currency stability of Hong Kong and was "prepared

to offer liquidity support to the Hong Kong Monetary Authority for the purpose of stabilising the exchange rate of the Hong Kong dollar. We also stand ready to use our foreign reserves to support the Hong Kong dollar, if necessary."

China would not draw on Hong Kong's foreign exchange reserve fund, which backs the local currency, "in any way and for any reason". China did not have its eyes on siphoning off the resources of Hong Kong, he added.

Taking the reassurances still further, he moved to calm fears that Bank of China, the commercial bank belonging to the mainland authorities, would be allowed to carve up Hong Kong banking through special privileges. Bank of China is one of three note-issuers in Hong Kong.

Mr Chen said: "Bank of China shall not be treated more favourable than other banks. It shall not carry out any activities beyond the role of a commercial bank."

He also insisted that concerns that Shanghai would replace Hong Kong as a financial centre were groundless. Given the size of China's economy, there was plenty of room for two financial centres. It was "vital that Hong Kong remain the vibrant financial centre with its own economic system that we know now".

The eminent supporting cast on the platform included Wang Xue Bing, chairman of Bank of China, who reinforced the promise that his organisation would not seek special privileges.

Other speakers were Patrick Gillam, chairman of Standard Chartered, and Sir William Purves, chairman of HSBC, who said: "I have a feeling that we will look back on China's resumption of sovereignty in 1997 and say this was the moment when Hong Kong became truly world-beating."

Nottinghamshire seams to open as Richard Budge announces flat £86m first-half profits for private mining company



SOURCE: DATASTREAM, KEYES BRIMCOMBE, HULTON GETTY

MICHAEL HARRISON

Richard Budge yesterday shrugged off critics of his RJB Mining group, which took over the privatised English coalfields last year for £815m, by announcing plans to invest £300m in a new colliery near Newark, Nottinghamshire.

The colliery, which would eventually employ 500 miners, will take 10 to 15 years to come into full operation and produce about 3 million tonnes of coal a year, RJB said that seismic surveys of the Whitam district just north of Newark pointed to 655 million tonnes of workable coal in three seams. The company

intends to extract about 150 million tonnes from one of these seams.

Mr Budge said that the start of production was scheduled to coincide with the exhausting of the giant Selby mining complex in Yorkshire. He dismissed suggestions that RJB would have difficulty making sufficient profits from the new colliery or that it was being developed because the company was running out of seams that could be mined easily at its 20 existing collieries.

Charles Kernot, mining analyst with brokers Paribas Capital Markets and a long-standing bear of RJB, said the outlook remained one of lower prices, lower output and lower earnings.

"I remain wary about Budge's plans. The profit margins are not substantial and, in any case, it is going to cost a lot more than £300m to keep RJB's output at the current level of 40 million tonnes a year."

In May he issued a highly critical

note saying he was convinced that a new deep level mine would not be an economic proposition for RJB, adding: "The only way an investor in RJB Mining Shares can make a profit from buying them today is to be able to sell them to a more naive investor at a higher price tomorrow."

But Mr Budge rejected the criticism. "These people wandering God's earth saying RJB is going to collapse are as wrong now as they were two

### THE RISE AND RISE OF RJB MINING

- 1 December 1994: Buys English coalfields off British Coal for £815m after raising £285m in equity and £494m in debt.
- 2 July 1995: Announces that half its debt has been paid off early. Brings £450m Ashfordby colliery into production.
- 3 March-April 1996: Reports annual pre-tax profits of £173m (£16.7m) and announces that debt used to buy English coalfields repaid.
- 4 May 1996: Announces that it has bought the 100% stake in the 100% owned Nottinghamshire colliery.
- 5 June 1996: Announces that it has bought the 100% stake in the 100% owned Nottinghamshire colliery.
- 6 September 1996: Announces that it has bought the 100% stake in the 100% owned Nottinghamshire colliery.

## RJB plans new colliery in Newark

## Imro works on Morgan safety net

JILL TREANOR  
and NIC CICUTTI

Imro, the fund management regulator, said last night that it was working with Morgan Grenfell Asset Management to set up an enlarged safety net for its three troubled funds, which have already been given £180m in cash by Deutsche Bank, the parent group.

It also emerged that Deutsche Bank had been ordered by the German banking supervision authority to report to it every day on developments in the Morgan Grenfell situation.

Another £24m was withdrawn from the Morgan funds yesterday, considerably less than the

total of £232m redeemed by worried investors on the previous three working days.

But with Deutsche's contribution, the funds only had a £300m cash pile when they resumed trading last Thursday, and less than £50m of this remains, which is thought to be too small a cushion even if the level of redemptions continues to slow at its current rate.

"Imro is working with Morgan Grenfell to ensure that appropriate measures are in place," an Imro spokesman said.

In the meantime, investigators are looking for evidence that Peter Young, the fund manager at the centre of crisis, owned stakes in the maze of Luxem-

bourg shell companies he set up. They are trying to establish whether he made any personal gain.

To date, the Serious Fraud Office has not been passed any information which has led director George Staple to open a formal investigation into the affair.

Russ Oil and Technology, which is Luxembourg-registered, is at the centre of the inquiries. Its discovery sent regulators on the trail of Mr Young and his dealings last month. Last week Morgan Grenfell froze Mr Young's assets and those of Russ Oil.

Set up on 22 December 1995, Russ Oil has the same structure as the other holding companies

set up by Mr Young, apparently to hide the extent of his stakes in unlisted Scandinavian companies.

It emerged yesterday that the name of one of the Luxembourg holding companies - Horten Technology Holding SA - may have been based on name of the home town of Sensoror, a high technology firm based in Horten, Norway.

Sensoror's flotation was handled by Carnegie in 1994. The annual report of the Morgan Grenfell European Capital Growth Fund shows that the fund had 3.35 per cent of its assets in the electronic components company's shares as at 31 January, 1996.

## Nat Express to bid in rail sales

CHRIS GODSMARK  
Business Correspondent

National Express Group, the coach, bus and train operator, yesterday pledged to bid for all the remaining rail franchises in a move that intensified the battle over the final phase of the controversial rail sell-off.

The company, which already controls two rail franchises, put itself firmly in competition with Stagecoach Holdings, the acquisitive transport group which has already made the same commitment.

Earlier this year National Express won the bidding to operate the lucrative Gatwick Express franchise, claimed to be the only profitable route on the old British Rail network, along with Midland Main Line which runs trains from London's St Pancras station to the East Midlands and Sheffield. In the first two months' trading these rail businesses made operating profits, including Government subsidies, of £401,000.

Twelve more rail franchises are still up for grabs, but National Express said Opra, the rail franchising office which is managing the privatisation process, had made it clear it preferred bids from each interested company for most or all of the remaining franchise areas.

"We think we're going to get another slice of the action," said Ernie Patterson, chief executive. He suggested Opra's strategy was to try to guarantee bids for the least attractive franchises, which include the cash-starved West Coast Main Line.

But National Express admitted its approach could bring it into further conflict with the competition authorities. In the case of one available franchise, Scotrail, National Express already has a virtual monopoly over coach travel between London and Scotland.

It means the on-going investigation by the Monopolies and Mergers Commission into the acquisition of Midland Main Line will take on even greater significance. Mr Patterson said he would be submitting evidence to the MMC later this week and was expecting a final decision in November.

National Express made the announcement as it revealed a 160 per cent surge in pre-tax profits in the first half of the year to £20m.

Excluding the impact of the recent takeovers, operating profits went up by 143 per cent to £19.5m.

The company said it was looking for further takeover opportunities beyond the rail sector.

It is close to finalising a joint bid for the privatisation of Australia's airports, in competition with BAA.

## BSkyB in row with Carlton over adverts

MATTHEW HORSMAN  
Media Editor

A long-shimmering advertising war between Rupert Murdoch's BSkyB and ITV companies last night erupted into an unseemly and public row - and all because of a series of television commercials.

The point of contention is an advertising campaign by Carlton Select, Michael Green's cable-only entertainment channel, which has been running on 13 Sky channels for the past week.

According to Carlton's media buyers, BSkyB pulled 20 out of 22 scheduled airings of the advert between Mondays afternoon and early evening yesterday, and requested that the campaign



At odds: Michael Green and Sam Chisholm (left) of BSkyB

be modified to downplay references to the channel's cable-exclusive nature. Carlton Select, which features repeats of such hit programmes as *Birds of a Feather*, *Lovely and Solitary*, *Soldier*, is not available to satellite subscribers.

This week's transmissions marked the second time the campaign had run, and the second time BSkyB had complained about the prominence of the "cable-exclusive" tag line that concludes the commercials.

BSkyB is concerned that its direct-to-home satellite subscribers are being told about a channel they cannot currently receive. A Sky spokeswoman denied the ads had been pulled, however. "If we had any objection to the commercials, we would not have let them continue to be aired," she said.

The advert appeared as scheduled yesterday, although BSkyB has continued to press Carlton Select's advert agency to make the changes.

Janet Goldsmith, managing director of Carlton Select, said: "We had to tell people it was available on cable. Otherwise, it would have defeated the purpose of the ad."

Carlton Select insiders suggested last night that BSkyB was concerned about the growing number of cable subscribers in the UK, now approaching 1.5 million, compared with about 3.8 million direct-to-home subscribers.

Ms Goldsmith said Carlton Select would make a formal complaint to the Independent Television Commission, the television watchdog, if BSkyB did not provide a credit for the missed airings or if it pulled the advert altogether.

## Lloyd's market issues fines and bans agencies

The Lloyd's insurance market yesterday fined seven underwriting agencies and excluded five intermediaries from the market, in the first actions under a new system of public censure, writes Peter Rodgers.

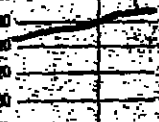
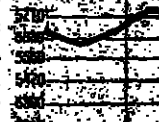
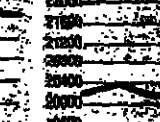
The fines of £12,500 were for late submissions of syndicate or agency quarterly returns. Bank-side Syndicates and Murray Lawrence and Partners were fined £5,000 each and five others were fined £500. This is the first time fines have been levied for late returns.

The Lloyd's regulatory board also threw five intermediaries, two of them overseas, out of the market for a variety of offences.

The firms had access to the market to underwrite for syndicates. Philip Knight & Co, exceeded the terms of its underwriting authority and Prokor Underwriting Managers (Pty) Ltd "purported to provide insurance in the knowledge that no cover was in place".

Coburn Wilson's handling of insurance business "fell short of regulatory standards", Fortress Auto Systems Pty no longer met Lloyd's financial standards and Dobinson Gregory's period of registration had expired.

The announcements came a day before the extended deadline for names to sign up to the £3.2bn Lloyd's rescue plan.

STOCK MARKETS						
FT-SE 100		Dow Jones		Nikkei		
						
1990 1991 1992 1993 1994 1995 1996		1990 1991 1992 1993 1994 1995 1996		1990 1991 1992 1993 1994 1995 1996		
<small>*Year Index Index &amp; graph of 1996 Index</small> <small>©1996 World Bank Data</small>						
Indices						
Index	Close	Day's change	Change(%)	1996 High	1996 Low	Ytd(%)
FTSE 100	3918.10	+5.30	+0.1	3918.70	3832.30	4.00
FTSE 250	4438.40	+13.90	+0.3	4568.60	4015.30	3.42
FTSE 350	1959.50	+3.40	+0.2	1960.50	1816.60	3.87
FT Small Cap	2173.98	+4.35	+0.2	2244.36	1954.06	3.04
FT All Share	1936.02	+3.35	+0.2	1936.24	1791.95	3.81
New York *	5714.60	+19.24	+0.3	5779.00	5032.94	2.24
Tokyo	20559.59	+357.32	+1.8	20668.80	19734.70	7.87
Hong Kong	11223.62	+11.02	+0.1	11294.99	10204.87	3.481
Frankfurt	2570.95	+22.22	+0.9	2583.49	2253.36	1.811

Source: FT Information

Source: FT Information

INTEREST RATES									
Short sterling		UK medium gilt		US long bond		Money Market Rates		Bond Yields	
1 Month	5.00	1 Year	7.00	3 Month	7.00	1 Year	5.00	1 Year	5.00
3 Month	5.00	3 Year	7.00	6 Month	7.00	3 Year	5.00	3 Year	5.00
6 Month	5.00	5 Year	7.00	9 Month	7.00	5 Year	5.00	5 Year	5.00
1 Year	5.00	7 Year	7.00	12 Month	7.00	7 Year	5.00	7 Year	5.00
2 Year	5.00	10 Year	7.00	15 Year	7.00	10 Year	5.00	10 Year	5.00
3 Year	5.00	15 Year	7.00	20 Year	7.00	15 Year	5.00	15 Year	5.00
4 Year	5.00	20 Year	7.00	25 Year	7.00	20 Year	5.00	20 Year	5.00
5 Year	5.00	25 Year	7.00	30 Year	7.00	25 Year	5.00	25 Year	5.00
6 Year	5.00	30 Year	7.00	35 Year	7.00	30 Year	5.00	35 Year	5.00
7 Year	5.00	35 Year	7.00	40 Year	7.00	35 Year	5.00	40 Year	5.00
8 Year	5.00	40 Year	7.00	45 Year	7.00	40 Year	5.00	45 Year	5.00
9 Year	5.00	45 Year	7.00	50 Year	7.00	45 Year	5.00	50 Year	5.00
10 Year	5.00	50 Year	7.00						

CURRENCIES									
<p>Only show exchange rates and 100 Yen/1 Pound of 1984 rates</p>									
<p><b>Pound</b></p>				<p><b>Dollar</b></p>					
	Yesterday	Change	Year Ago		Yesterday	Change	Year Ago		
£/£	1.5547	-0.036	1.5550	£/£	0.6424	+0.014	0.6438	£/£	
£/DM	1.5545	unch	1.5632	£/DM	0.6421	unch	0.6481	£/DM	
£/¥	1.2474	+2.038	2.583	DM/¥	1.5390	+1.652	1.4714	DM/¥	
£/¥	171.058	+0.877	156.524	¥/£	109.955	+1.026	100.778	¥/£	
Index	85.1	+0.5	84.9	Index	87.1	+0.6	84.4	Index	
<p><b>OTHER INDICATORS</b></p>									
	Yesterday	Day's change	Year Ago		Index	Latest Yr Ago	Next Yr		
10 Year Bond	5	22.80	+0.32	16.89	RPI	152.4	+2.2pc	149.8	12 Sep
30 Day S	383.45	-0.10	384.66	GDP	107.8	-0.4pc	126.9	24 Sep	
30 Day F	248.32	+0.45	247.64	Base Rates	-	5.75pc	5.75	-	

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# Tizz over fizz leaves institutions with hangover



**B**abycham, when you stop and think about it, was the original alco-pop - a mildly intoxicating mixture of fizzy and beer designed for youngsters not quite old enough to enjoy a proper drink at Christmas. There is a certain irony, then, in the battering that its makers, the cider firm Matthew Clark, took yesterday after warning there would be a large hole in profits this year, courtesy of the "unprecedented growth" in sales of the new breed of alco-pops.

Investors, however, are unlikely to see the funny side of things following the brewers' drop that the shares predictably performed. It is a strange tale indeed.

Only two months ago, Peter Aikens, the accident-prone chief executive of Matthew Clark, was reporting a doubling in annual profits and telling shareholders that everything was hunky dory. Now we are told that orders fell off a cliff in July and August, with sales of Babycham and the cider brands down by an incredible 60 per cent.

Now it has always been a bit of mystery who bought Babycham, much less enjoyed drinking it. It is also true that the brush and dubious promotion of brands such as Thickhead, Hooper's Hooch and Two Dogs, together with the blaze of publicity, have conspired to leave the Babycham Bambi dead in the water.

But in a business like the drinks industry, where production is geared to forward orders, it looks odd, to say the least, that

management were not aware of the dire state of sales when they were briefing analysts and investors on full-year profits in July.

It is still possible that the company or the markets, or both, have overreacted. But given the appeal of the alco-pops and the reluctance of the authorities to stamp out all but the most blatant marketing to under-age drinkers, it looks unlikely.

Mr Aikens last courted controversy after being paid £430,000 in relocation expenses to move from Reigate to Shepton Mallet after the company changed headquarters.

Judging from yesterday's shock announcement he did not move close enough. Whereas the fiasco over his relocation expenses was an error of judgement that shareholders can probably forgive, Matthew Clark's failure to read its market is much more serious. Shareholders may feel he needs to be left with more than a Thickhead for the turn of events.

## Don't be misled by BT cuts

**T**ime was when BT needed to be dragged kicking and screaming by the regulator, Ofcom, into tariff cuts of any variety. They used to be done grudgingly and with little fanfare. These days BT makes a virtue out of necessity and trumpets everything the regulator requires it to do. If nothing else, BT seems to

be learning some of the basic skills of marketing.

Don't be misled by yesterday's package of cuts, however. Generous though they might look, they actually amount to only a half of the tariff cuts required by the regulator this year. More will have to follow. Furthermore, they have been cunningly slanted at routes where prices need to fall anyway because of increased competition - long distance and international. In other words, regulation is biting in areas where it may no longer be needed, the areas of telecommunications all the safeguards the consumer needs. The weakness of the present controls have been in significantly cutting the bills of low user residential customers, which is arguably the area in which they are most needed.

It would obviously be an exaggeration to say that price regulation has as a consequence been failing the British public. Even in areas where competition is now thriving, you can bet your boots BT would not have cut prices by as much but for the strictures of the regulator. But the point has none the less been taken on board by Ofcom in its latest review of the price controls. The new system, which comes into force next year, will weight control towards the charges that really need it.

As for long distance and international tariffs, they should continue to fall sharply. The cost to telecoms operators of long distance

calls these days is not so much greater than that of a local call. We are entering an era of ever cheaper and cheaper telecommunications. The challenge to BT and other national telephone companies will be to balance this commoditisation of the basic service with value added services that both secure the customer base and provide a faster margin.

## Courtaulds locates its sweatshops elsewhere

**T**he new man at Courtaulds Textiles has wasted little time in accelerating plans to shift production offshore to developing countries with cheap labour saying he wants to double the current 15 to 20 per cent share taken by foreign factories. The company is less clear on how long the transfer might take to complete, but after yesterday's all too disastrous figures, the stock market will be pressing the new chief executive to deliver.

Good news then for the likes of Morocco, Tunisia, Sri Lanka and Turkey. Not such good news for British textile workers, notwithstanding the new investment promised by Courtaulds in Britain for meeting the needs of high fashion. But whatever the issues of this particular case, the proposition that British jobs more generally are being exported to cheap labour countries just doesn't stack up. For a start the numbers do not support the

contention. During the past decade, employment in the UK has increased - a bit for men and a lot for women. Nor have all these jobs been part-time "McJobs". Female full-time employment has increased about as much as part-time employment. Average earnings have climbed steadily in real terms. Greater inequality means the poorest are worse off but there is no general immiseration of the workforce taking place.

For another thing, the jobs being created in the UK by foreign investors - even some "third world" investors from Taiwan and Indonesia - are better than the ones being created in low-cost countries by British firms. Why on earth should a prosperous developed country want to hang on to the kind of jobs that pay starvation wages? Do we really want to be the sweatshop of the world, competing with India and China for mechanical and boring work like weaving commodity textiles - or even data-processing for that matter. Better by far is the new generation of jobs in sophisticated and capital-intensive factories making reasonably hi-tech goods. But there is a further point here. Manufacturing, which continues to bear the brunt of any job losses in Britain, is now a comparatively small part of the British economy, accounting for less than a quarter of total output. Any job lost is painful enough, but when the wider picture is taken into account, the export of textile jobs to third world nations is not a hugely significant phenomenon.

# Olivetti boss faces series of grillings

ANNE HANLEY  
Rome

Francesco Caio, Olivetti's managing director, will be grilled over the next week at meetings with Italian authorities and investors keen to know the true state of the struggling computer maker's finances.

The Italian Prime Minister, Romano Prodi, has also become involved in the affair.

He yesterday met Carlo de Benedetti, who resigned as chairman of the company last week, to ask the financier to brief him on the situation at the company.

Mr Caio's round of talks begins this afternoon with a meeting with the industry minister, Pierluigi Bersani, who will want to know whether the rumours that the group plans to play off 5,000 employees are founded.

Mr Caio will tomorrow appear before the Senate industry committee, and on Monday and Tuesday he faces his toughest test in meetings with investors.

In Milan, then in London, he will be called on by investors to explain question marks hanging over Olivetti's half-year figures released last week.

The affair continues to unsettle investors. Olivetti's stock fell by 7.18 per cent to £560 in Milan yesterday, following the 20 per cent on Monday when

some £530bn was wiped from the total market value. There were reports Consob, the market regulator, had asked the group by today to elaborate on seven points on the half-year results.

Doubts that pre-tax losses of £40.2bn last week told the whole story, took centre stage once again yesterday when the company's former director-general, Renzo Francesconi, wrote a letter to the *Milano Finanza* financial daily apparently denying having called the figures into question.

Mr Francesconi resigned from the Olivetti board last week after telling *Milano Finanza* that "the situation is much more serious, especially from the financial and economic point of view".

"There can be no negotiation on numbers and cash flow," he told the daily. Whether Mr Francesconi had since retracted that statement was unclear for much of yesterday, but the deputy editor of *Milano Finanza*, Franco Becchi, stated that he confirmed "the contents of the original article letter by letter, comma by comma, tone by tone."

Later in the day, Mr Francesconi explained that "what I was denying was not the substance, but the form of that article". He confirmed his criticisms of the half-year report.



AEA Technology, the engineering services group, formerly known as the Atomic Energy Authority, will be valued at between £152m and £216m when it floats on the stock market later this month. Yesterday's prospectus

presented by the chairman, Sir Anthony Cleaver (right), with chief executive Peter Watson - gave an indicative price range of between 240p and 270p a share, for a price earnings multiple of 15.1 times up to 17 times

historic earnings of 15.5p. The notional gross dividend yield is 3.5 to 3.9 per cent in the year to 31 March. The placing and intermediaries' offer will be priced on 25 September. Photograph: Tony Buckingham

# Rexam revival plans win City backing

PATRICK TOOHER

Plans to revive the flagging fortunes of Rexam, the paper and packaging group formerly known as Bowater and under new management, received a warm welcome in the City yesterday, even though profits continued to shrink in the first half.

The shares rose 14p to 408.5p after Rolf Borjesson, the Swedish chief executive who replaced David Lyon in July, announced a programme of disposals aimed at businesses with sales of up to £300m a year. "We need a flatter organisation to implement changes and increase our focus," he said.

Disposals in five of Rexam's seven sectors were expected in the next 12-18 months, he added, noting that businesses with annual turnover of £200m had already been sold. Analysts reckoned the disposals are likely to see Rexam concentrating on its core packaging activities at the expense

of peripheral operations such as building and engineering. "Whole divisions could be sold off," said Francesca Raleigh at brokers Panmure Gordon. "It's not difficult to make good money from packaging but there is a lot to do." The news came as Rexam reported pre-tax profits in the six months to June of £77m, down from £112m a year ago, and warned that it was cautious about the outlook for the second half of the year despite a

## IN BRIEF

• Directors of the £500m Kleinwort Benson European Privatisation Investment Trust (Kepit) backed a deal jointly proposed by the existing managers and M&G, their rivals. If they accept the offer at a EGM in October, Kepit shareholders will be able to choose between a new European privatisation unit trust, run by Kleinwort Benson; an existing M&G European and General Fund or units in a new Kleinwort Benson Money Market Trust, which could be instantly redeemed for cash. However, TR European Growth (Treg), a rival bidder for Kepit, claimed its cash offer still gave shareholders a better deal, while its alternative share offer could deliver far better investment returns.

• Demand for loans by both consumers and businesses is accelerating, according to the Finance and Leasing Association. Its members reported that personal lending was up 38 per cent in the year to August. Within the business sector, there was a 42 per cent jump in "big ticket" leasing during the month, taking the year-on-year growth to 199 per cent. Martin Hall, director general, said: "Not only are consumers borrowing more to spend more, but businesses seem to be borrowing to invest."

• Amstrad slipped back into the red last year, but the company said rationalisation of its consumer electronics business would help stem losses. The group made a loss before tax of £14.9m in the year to June 30 after a profit of £3.1m last time. Sales rose to £329m from £272m. A fundamental shake up of Amstrad Consumer Electronics, (ACE), originally the mainstay of the company, cost £10.7m in restructuring and redundancy costs. Alan Sugar, the founding chairman, said Amstrad would now concentrate on building up its technology-based businesses - Dancall, Viglen and Dataflex Design Communications.

• United News & Media, Lord Hollick's media and financial services company, yesterday announced the merger of two printing plants in northern England, at the cost of between 50 and 100 jobs. A plant in Manchester, which had been printing the group's Express titles, is to be closed, with the contract moving to a site in Broughton, where titles published by United Provincial Newspapers had been produced. The move, which will cost £32m in restructuring charges, will require additional investment, with Broughton being expanded to house 8 re-configured presses.

• Losses at Spring Ram, the bathroom fittings group, widened to £20.4m from £17.3m in the first half of 1996. However, stripping out one-off charges the deficit was reduced to £7.1m from £16.7m.

• Sir Chips Keswick, chairman of Hambros merchant bank, met with its new and critical shareholder Regent Pacific, which described the talks as "useful, productive and workman-like." Regent snapped up a 3 per cent stake at just under 240p per share in the bank last month, describing it as "undervalued and undermanaged". Analysts say they can see Regent's point and Martin Cross at UBS values the shares at over 300p on the basis of the bank being broken up into its constituent parts.

# Hotel breaks with THE INDEPENDENT

## 2 nights for the price of 1

**T**he Independent and the Independent on Sunday would like to invite you to take a hotel break and enjoy two nights for the price of one.

Simply pay for one night's bed and breakfast and you will get the next night, including breakfast, free. Prices are based on two people sharing a double or twin room.

All the participating hotels are members of the Minotel consortium and many will allow you to enjoy a longer stay on the same basis; pay for two nights and stay for four, for example. You can check this with your chosen hotel when you make your initial reservation.

There are more than 60 Minotel hotels participating in this offer, all of which are located in England, Ireland, Scotland and Wales. All the hotels offer top-class comfort and pride themselves on providing a personal service that many larger establishments cannot match. This Friday in The Independent we will print a list of all the participating Minotel hotels with a brief description of each.

Featured today is The Ashcroft Hotel in York. This former Victorian mansion is set in two acres with beautiful river views. A double or twin room for one night costs £80.

**How to Qualify**  
To qualify for your 2 for 1 break, you must collect three differently numbered tokens from the seven we are printing in The Independent and the Independent on Sunday and attach them to a voucher which we will print in tomorrow's Independent. When you have three tokens plus the voucher, follow the booking procedure detailed on this page. Today we print Token 5; Token 6 will be printed in tomorrow's Independent.



### Terms and Conditions

1. To participate in our 2 for 1 offer you must collect 3 differently numbered tokens and attach them to a voucher which will be printed on Thursday 12 September along with a confirmation booking form.
2. The voucher may be redeemed at any participating Minotel hotel (from the hotel list printed in The Independent on Friday 13 September) for one free night's bed and breakfast for two people in a standard twin or double bedded room when the first night's bed and breakfast is pre-purchased at the price indicated.
3. Some hotels, at the proprietor's discretion, will accept the voucher for longer stays on the same basis as you can stay for 4 nights for the price of 2 for example. Please check with your chosen hotel when making your booking.
4. The voucher does not cover payment for any other meals or services that may be requested by the holder and cannot be used with any other offer, saving or discount that may be available at the hotel.
5. One child, under the age of 12 years at the time of booking and sharing a room with two adults will be accommodated free of charge but all meals, including breakfast, will be chargeable.
6. The descriptions and prices contained in this offer have been supplied by participating hotels. While every effort has been made to ensure their accuracy prior to publication, no responsibility can be taken by Newspaper Publishing plc, Charterhouse Promotions or Minotel for any error, omission or changes that may take place afterwards without notice.
7. No bookings will be accepted for Bank holiday periods.
8. All bookings must be made no more than six weeks in advance of your proposed date of arrival.
9. Vouchers are valid from 1 October 1996 - 30 April 1997.
10. Vouchers must be surrendered on arrival at the hotel and can be used on one occasion only.
11. Photocopies of tokens and vouchers are not acceptable.

### Booking Procedure

1. All bookings must be made by telephone direct with each individual hotel. Callers must identify themselves as "Independent 2 for 1 voucher holders" as some hotels may have standard or superior rooms available at normal rates when their allocation of 2 for 1 rooms is full.
2. All bookings must be pre-paid and reservations can be confirmed over the telephone by credit card holders at most hotels.
3. Voucher holders wishing to pay by other methods can make a provisional booking by phone which the hotel will keep open for 48 hours pending receipt of the confirmation booking form and payment which will be acknowledged by the hotel on the day it is received. If you do not receive such an acknowledgement within seven days, you are advised to contact the hotel.
4. No-shows or cancellations less than 14 days prior to the anticipated date of arrival at the hotel will render the voucher invalid and the holder liable for payment in full for each night booked, including those previously offered free.
5. All bookings made under this promotion are subject to availability and to the selected hotel's own terms and conditions, except where those conditions may differ from these in which case these conditions shall prevail.





## business

## Courtaulds dip into red prompts job fears amid radical shake-up

MAGNUS GRIMOND

Courtaulds Textiles, chaired by Jon Eccles, yesterday announced a radical restructuring plan to arrest the decline in the Gosard bras to bed linen group which saw it sink into the red in the first six months of the year.

Colin Dyer, who took over as chief executive after the ousting of Noel Jervis in June, said the group would take a charge of £30m-£35m over the next couple of years as it exited from about a dozen businesses that were underperforming or did not have the scope to become leading players in international markets.

The programme would be self-financing and deliver sav-

ings of between £10m and £13m by 1998, he said.

The group also renewed its warning that jobs would be lost as it stepped up plans to move more of the group's clothing manufacturing operations overseas. It refused to specify how many of the 14,000 employees in the UK would be affected.

Although profits of £6.4m turned into a loss of £8.5m in the six months to June, news of the shake-up was generally well received yesterday and the shares gained 5.5p to 310.5p. The market was braced for poor figures after two profits warnings since the turn of the year and yesterday's plans appeared to build on the rationalisation begun by Mr Jervis.

Hippa Wicks, finance director, said the group was "acting a lot more decisively and a lot more speedily" than before.

The core businesses are to be grouped around four divisions where the group has strong positions, covering lace and stretch fabric, lingerie and hosiery, casual wear and underwear and furnishings.

The 12 businesses to go, earmarked a year ago, represent £160m of sales and no profits with some of them not being profitable for several years. Cabinet towels, curtains and the manufacture of Arab head shawls have all gone, with the spinning business on the blocks for disposal.

Meanwhile, "a number of

factories" in Britain, the United States and on the Continent would have to close in the clothing business as more manufacturing is shifted to Third World countries.

Ms Wicks refused to be drawn on the impact on the group's 23,000 employees world-wide. She denied that the plans had any connection with Labour proposals to introduce a minimum wage, although she noted that "certainly, depending on where it comes in at, it will make manufacturing textiles in this country more difficult".

Half-year profits were hit by a £9.1m exceptional charge, including a £6.5m net loss on disposals. Further redundancy and

rationalisation charges in the second half would take the full-year charge to about £20m, Ms Wicks said.

Operating profits sank from £15.5m to £5.4m in the opening six months, with most of the pain being felt in the old fabrics division where profits sank from £11.1m to £4.8m, before a £1.9m restructuring charge. The destocking affecting the US lace business after retailers over-estimated demand over Christmas continued, but with order books full, there are signs that the stretch fabric side is now picking up.

However, Ms Wicks warned the move by women away from lace underwear was continuing to affect traditional lace sales.

PEOPLE & BUSINESS  
NatWest in a spin as Lord Alexander losses favourite PR

It's all change at NatWest. Lord Alexander, the chairman, is losing his favourite press handler, Ed Townsend, and gaining a new finance director, Richard Delbridge, formerly of HSBC.

Ed was a journalist at the Times before becoming a press spokesman at BAA. He joined NatWest six years ago, and is now moving to City spin doctors Luther Pendragon, who advise companies like Cable & Wireless and United Utilities.

George Pitcher, joint managing director of Luther and himself an ex-scribbler, recently recruited another ex-Times man, Melvyn Marcus. Mr Pitcher says: "Edward's combination of senior media experience on both sides of the wire is absolutely in keeping with our culture and our offer to the market."

"He is both a wise counsel and a gritty operator - in short, he is very 'Lutheran' and we are very lucky to have won him."

Ed himself insists that "I'm only Lutheran in the non-religious sense".

The top PR slot at NatWest is still vacant since Simon Lewis defected to British Gas Energy. Headhunters Ofgas are still looking, offering a package of around £120,000, according to the wine bar connoisseur, so get your CV in.

Richard Delbridge comes on board as finance director after retiring from the same post at HSBC last November.

An HSBC source says: "Mr Delbridge took Midland all the way through the acquisition by HSBC and the merging of the two balance sheets. He was very tired at the end of it and wanted a break."

Mr Delbridge was not part of the door Scottish clan that runs HSBC, and will no doubt feel more at home at cricket-mad NatWest.

The administrator of Polly Peck has won control of Asil Nadir's £2.6m bail money, which the Cypriot businessman forfeited when he fled from British justice.

An Old Bailey judge yesterday awarded the money to Polly Peck's creditors instead of the British taxpayer, the usual recipient of forfeited bail money. Chris Morris of Touche Ross, the administrator of the Polly Peck empire which crashed four years ago, is jubilant.

When Nadir was arrested



Sad farewell: Lord Alexander (right) and Ed Townsend

by the Serious Fraud Office and charged with fraud involving £30m, his bail was paid for by Impex Bank, a Turkish-Cypriot bank.

Creditors of Polly Peck, however, are owed over £1.5bn, and Mr Morris has done well to recover around £50m of it. The final payout, says Mr Morris, should be at least 2.4p in the pound.

Returning to the giddy world of City spin doctors, Merrill Lynch is seeking to recruit a new head of PR for a rumored £250,000 a year.

Quite a lot of cash for saying "no comment - you'll have to speak to New York".

Richard Spiegelberg, the present incumbent (another ex-Times journalist - they seem to get everywhere), is moving to the international private banking side.

Poor Marcus Will, a former colleague of Mr Spiegelberg's, who moved to become spokesman for Deutsche Morgan Grenfell a fortnight ago - just in time for the unit trust débacle. "He must have had quite a first week," says Mr Spiegelberg.

Barrings Asset Management has decided that, a year after the Leeson disaster and its passage into ING's owner-

ship, it needs a complete strategic review. But instead of hiring Arthur Andersen or Bain, BARM has hired Richard Wolanski from Paribas Asset Management to do the whole thing himself.

Jonathan Taylor, director of BARM, explains: "Having recovered from the 1995 crisis we could have gone to outside consultants, which would have been a very expensive exercise."

"We decided that Paribas has many similarities to us - less than half earnings come from the UK, it's very international, and Mr Wolanski has been heavily involved in developing the business."

Eddie George, Governor of the Bank of England, laid the foundation stone for the European head office of Daiwa Securities in the City yesterday, and made a typically bullish speech about London's world standing.

Mr George said he had been in the City for 35 years and it was always worried about its standing. "The more the City worries, the less I do."

He also said Daiwa was to be considered not as a visitor but "a home team, very much in the Premier League".

John Willcock

## Williams focuses on the future

## THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Williams Holdings saw the writing on the wall for conglomerates a long while before its peers and worked hard at creating focus. For a while it looked simply cosmetic - clumping disparate businesses into three merely nominal divisions - but yesterday's interim figures, showing profits up 11 per cent to a record £114.9m despite quite difficult markets, showed there was real substance behind the rhetoric.

Not that the steady progression in profits, earnings and dividends over the past five years has done much for the share price, which has traded resolutely in the 300p-350p price range throughout most of that period. Williams has been one of those stock market puzzles, a well-run business that nobody seems terribly interested in.

One of the reasons for the dull performance is the fact that, despite recent acquisitions which have helped the balance somewhat, Williams is still heavily skewed towards the construction and building markets. Turnover from continuing operations of £818m (£709m) was more than half accounted for by the Rawlplug to Swiss and Valor building arm. Profits in North America rose slightly but the good work was wiped out by a similar decline in Europe and prospects remain tough on the Continent.

That held back profits from the other two core operations, fire protection and security, which both reported impressive advances. In fire, there was strong growth from aerospace customers such as Boeing and portable extinguishers sold well in the US, where consumer spending is on the up. In security, which includes the strong Yale brand, profits were up 8 per cent on flat sales and the long-term outlook in markets such as the Far East remains attractive.

Williams is not going to come good, from an investor's point of view, overnight. It is in the middle of a far-reaching refocusing that will take time to bear fruit, but Sir Nigel Rodd and his able chief executive, Roger Carr, are at least heading in the right direction and generating good margins and cash flow while they travel there.

They will not admit as much, but it seems clear that in a few years, Williams will have extricated itself from building products, perhaps raising up to £1bn in the process, and focused even more on fire and security, two markets with the potential for strong growth and, importantly, a global sales and marketing effort.

Profits of £245m this year and £265m next time would put the shares, down 1p to 356p, on a prospective price/earnings ratio of 15 falling to 14.

That doesn't seem too demanding but, against earnings growth over the next couple of years of less than 10 per cent a year, the rating is unlikely to improve much. Fairly priced.

## Dismal Delta awaits new boss

Dismal interims from Delta, the cables and engineering group, provided an appropriate background for chief executive Robert Easton to announce his departure after seven years at the helm. In that time, Delta's profits and earnings have halved, dividend growth has been pedestrian while the share price recently returned to 1989 levels.

Mr Easton's parting shot was to report pre-tax profits after exceptional items of £11.5m in the six months to June, down from £35.1m a year ago on sales 5 per cent lower at £494m.

Delta was hit by huge losses run up this summer by Sunimoto, the world's largest copper trader. Two profit warnings followed and the value of Delta's

11,000 tonnes of copper held for its cablemaking activities was written down not once, but twice, by £5.7m. Another £5m of one-off charges were made to pay for cost-cutting in UK cable manufacture and for restructuring in circuit protection in continental Europe.

All divisions reported lower profits, with cables slipping into a £900,000 loss, against £2.7m profit a year ago. Sluggish construction demand and bad weather in continental Europe were also blamed. Despite the shortfall, dealers marked the shares 24p higher at 401.5p.

Cynics might say investors were merely looking forward to the arrival of Mr Easton's replacement, GKN's Jon Scott-Maxwell, in December. But analysts also highlighted the stronger underlying picture and the maintained 4.5p dividend as signs that the worst may be over.

While construction activity in France and Germany remains subdued, the heavy distributor de-stocking that hit engineering appears to have run its course, while falling raw material prices are helping margins to recover. The problem is that Delta remains at

the mercy of highly cyclical markets. Growing the business without a visible improvement in market conditions could be like pushing water up a hill for Delta's new boss.

House broker BZW has left its pre-tax profit forecasts before exceptional unchanged at £52m for this year and £70m in 1997. That implies a p/e ratio of 19 falling to 14 next year. Unexciting.

## Scotia's hopes for magic bullet

Scotia, the biotechnology group, has proved even more of an enigma to the stock market than the rest of a sector already prone to sudden shifts in sentiment. With off-beat products based on lipids, the fatty molecules that make up the membrane of cells, and a factory at Callanish in Lewis, better known for its standing stones than its drugs, it is perhaps hardly surprising that Scotia has been hard to value.

Yesterday, the group was claiming that its pancreatic cancer drug, codenamed EF13, would soon outshine even Marinova, the British Biotech anti-cancer treatment that set the sector alight last November. David Horrobin, the driving force behind Scotia, suggested EF13 could be cleared for sale in under two years and might cover a wider range of cancers. But those claims pale beside the "magical bullet" drug which destroys cancerous cells in association with lasers. Mr Horrobin believes this could be "possibly one of the most exciting drugs, not just for Scotia but for the whole pharmaceutical industry over the next few years".

Even so, the City will remain sceptical about both drugs until more solid phase III trial results emerge and there are question marks aplenty elsewhere. Some seven months after Pharmacia & Upjohn pulled out, the group still has to find a partner to distribute Barbitic, the diabetic treatment which should be Scotia's first major drug to hit the market early next year.

Meantime, its long-standing businesses selling treatments based on evening primrose oil and lipid technology are struggling, as the 12 per cent dip in first-half turnover shows. Losses deepened by 31 per cent to £7.03m in the six months to June. At the current rate of burn, Scotia's net cash of £39.3m will be used up in about 18 months.

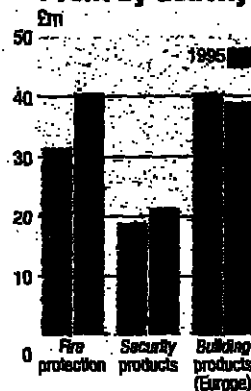
Even after yesterday's 31p fall to 702.5p, the shares, which capitalise Scotia at £540m, look high enough for now.

## WILLIAMS: AT A GLANCE

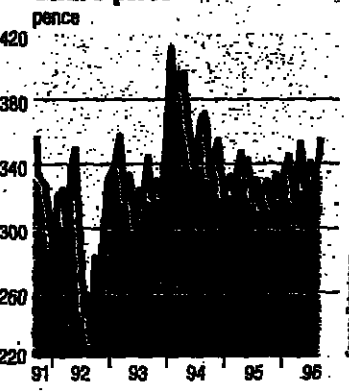
Market value: £2,077m. Share price 356p

Trading record	1993	1994	1995	1996	1997
Turnover (£bn)	1.21	1.39	1.50	1.77	1.88
Pre-tax profits (£m)	153	200	228	103	115
Earnings per share (pence)	15.4	20.5	22.8	9.9	11.0
Dividends per share (pence)	12.5	13.5	14.25	5.5	5.8

## Profit by activity



## Share price



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## COMPANY RESULTS

	Turnover £	Pre-tax £	EPS	Dividend
Angus (F)	1.81m (1.57m)	18.7m (16.3m)	1.5p (1.4p)	0.25p (+)
Alfred Lavers (F)	26.7m (20.4m)	1.14m (1.83m)	1.4p (2.4p)	0.3p (nd)
Ashted (F)	323m (273m)	-14.8m (5.09m)	-13.7p (2.3p)	2.75p (2.5p)
Calderbank (F)	23.5m (31.2m)	0.92m (2.05m)	2.13p (4.3p)	nil (2.5p)
Cape (F)	117m (117m)	-19.7m (4.3m)	3.4p (5.1p)	3p (5p)
Charter (F)	570m (565m)	51.9m (49.8m)	28.3p (25.4p)	9p (5.5p)
CLS Holdings (F)	- (+)	4.5m (4.0m)	4.1p (4p)	2.2p (2.1p)
Courtaulds Textiles (F)	459m (459m)	-8.5m (5.4m)	-8.4p (4.3p)	5.2p (5.2p)
Data Research (F)	2.12m (4.27m)	-0.36m (-0.81m)	-0.72p (-0.85p)	0.25p (0.25p)
Deleka (F)	49.4m (518m)	11.3m (35.1m)	1.5p (14.5p)	4.5p (4.5p)
John Henshaw (F)	44.9m (40.0m)	2.7m (2.55m)	6.4p (7.8p)	4.5p (2.25p)
Handway (F)	78.2m (20.2m)	1.0m (-4.1m)	4.7p (-31.8p)	1.4p (nd)
ILF Group (F)	89.28m (+)	10.40m (+)	2.01p (+)	0.88p (+)
JSA Holdings (F)	68.8m (49.5m)	1.36m (0.75m)	2.33p (1.43p)	1.1p (1p)
Jerrard New Paper (F)	- (+)	0.82m (0.82m)	2.7p (2.75p)	2.4p (2p)
Magdalen Group (F)	49.0m (41.0m)	2.20m (1.90m)	7.2p (2.3p)	1.25p (1p)
Midwestern Holdings (F)	87.8m (17.4m)	4.52m (2.45m)	0.28p (0.3p)	nil (nd)
National Express (F)	206m (115m)	20.4m (7.8m)	10p (5.6p)	3.4p (2p)
Onyx (F)	0.91m (0.95m)	0.32m (0.28m)	3.2p (3.2p)	0.625p (nd)
Pavey (F)	76.4m (61.5m)	4.3m (3.07m)	6.75p (4.82p)	1.4p (1p)
Pendragon (F)	287m (248m)	5.85m (5.27m)	10.2p (8.2p)	3.3p (+)
Polyde Therapeutics (F)	43.1m (108m)	-1.78m (-1.55m)	-4.2p (-10.1p)	nil (+)
Recon (F)	1.24m (1.23m)	77.2m (112m)	9.9p (15.4p)	6.1p (5.1p)
RAG Mining (F)	677m (740m)	88.1m (55.8m)	33.2p (32.2p)	8p (5.5p)
Scotia Holdings (F)	7.32m (3.35m)	-7.03m (-5.35m)	-4.2p (-4.3p)	- (+)
Seaworld-Rose (F)	27.8m (1.00m)	1.8m (0.89m)	6.82p (2.87p)	1.75p (1p)
Spina Rite (F)	180m (143m)	-20.4m (-17.3m)	-4.5p (-3.5p)	nil (+)
Stag Group (F)	22.9m (23.2m)	-1.6m (-2.9m)	-3.5p (-5.9p)	nil (0.27p)
Williams Hedges (F)	677m (766m)	115m (103m)	11p (8.8p)	5.5p (5.5p)
Wyndale Garden Centre (F)	31.2m (25.4m)	5.85m (4.78m)	10.4p (8.7p)	3.7p (3.22p)

(F) - Final (P) - interim

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Today we publish the latest results in our Independent Fantasy Football game, supported by Philips Energy Saver Light Bulbs.

Listed below you will find two scores. The Week 4 (Wk 4) column shows all points scored in matches played between Monday 2 - Sunday 8 September inclusive. The Overall (Ov) column shows the total amount of points scored in all matches played from Saturday 17 August - Sunday 8 September.

A league of the top scoring Independent Fantasy Football managers will be published every Wednesday and Sunday, starting Wednesday 25 September.

Today is your last chance to register for Independent Fantasy Football. See below for details on how to enter and how you could win tickets to the '98 World Cup or qualifying games.

### PRIZES

The overall winner at the end of the season will be the entrant who has accrued more points than any other Independent Fantasy Football team in that time. Win the ultimate prize - a trip to the 1998 World Cup in France. The winner, plus companion, will see all the action of a quarter-final and a semi-final of their choice, plus the final. In addition, the highest scoring team each month will win a pair of tickets to one of England's World Cup qualifying games at Wembley.

### HOW TO ENTER

Using your football knowledge decide your team formation from the following four options:

**FORMATION A. 4-4-2**

4 Defenders, 4 Midfielders, 2 Strikers

**FORMATION B. 4-3-3**

4 Defenders, 3 Midfielders, 3 Strikers

**FORMATION C. 5-3-2**

5 Defenders, 3 Midfielders, 2 Strikers

**FORMATION D. 3-5-2**

3 Defenders, 5 Midfielders, 2 Strikers

You are free to enter as many teams as you wish, allowing you to try out more than one tactical formation, but each team must be made as a separate entry via a separate telephone call.

Once you have chosen your formation, select your team of 10 players to fit your chosen option, plus one goalkeeper and one manager from the list below. Players can only play in the positions that they are listed under and the team's total value must not exceed £40 million. Remember to give your team a name.



Use our Team Selection form above right, to make a note of your team's details, then dial our registration hotline to register. Where possible, please try to use a tone telephone, although a traditional pulse telephone can be used if necessary. Make sure you follow the instructions on the phoneline carefully. At the end of your call you will be given your own special PIN number, which you must keep safe. It can be added to your Team Selection form.

### HOW TO SCORE

Every time one of your players scores a goal you will be awarded four points. Four points will also be awarded for goalkeepers and defenders whose team have kept a clean sheet during a match. If a player scores the winning goal, i.e. if there is a one-goal difference in the scoreline, the player scoring the final goal for the winning team is awarded one bonus point in addition to the standard four points awarded for that goal. Each successful assist (a pass that, in the opinion of our team of experts, leads

directly to a goal) will give a player three points. The opinion of our experts on this matter is final. Each player selected and starting a game will be awarded one point.

Players lose one point for a yellow card and three for a red card. Own goals, either scored or conceded, do not count for scoring purposes.

The Premiership manager that you choose will be awarded three points if their real-life team win, one point if they draw and no points if they lose.

Results will be published in The Independent every Wednesday for all games played from the previous Monday to Sunday inclusive. They will also appear the following Sunday, in the Independent on Sunday.

If your player or manager has been injured or transferred out of the Premiership, there will be the chance to update your team in our transfer period, which will be announced soon. Please read the Rules and Conditions carefully before making your call.

### Team Selection Form

Name	Code	Value
Goalkeeper		
Defender 1		
Defender 2		
Defender 3		
Defender 4		
Defender 5		
Midfielder 1		
Midfielder 2		
Midfielder 3		
Midfielder 4		
Midfielder 5		
Striker 1		
Striker 2		
Striker 3		
Manager		
PIN No.	Total £	

Team Name:

### POINT SCORES:

4 points for a goal ■ 4 points for a goalkeeper/defender clean sheet ■ 3 points for a successful assist ■ 1 point when a player is selected and plays ■ 1 point for a winning goal ■ 3 points for a manager win, 1 point for a draw ■ Lose 1 point for a yellow card ■ Lose 3 points for a red card

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**Republic of Ireland: 1550 131 553**

UK calls cost 39p per minute cheap rate and 49p at all other times. Republic of Ireland calls cost 58p per minute including VAT at all times. Maximum call length 6.5 minutes.

## TEAM MARKET AND SCORES

CODE PLAYER TEAM POINTS VALUE					CODE PLAYER TEAM POINTS VALUE					CODE PLAYER TEAM POINTS VALUE					CODE PLAYER TEAM POINTS VALUE														
Wk4 Ov (£m)					Wk4 Ov (£m)					Wk4 Ov (£m)					Wk4 Ov (£m)														
GOALKEEPERS																													
300	Seaman	ARS	0	11	5.9	458	Unsworth	EVE	2	16	3.0	550	Pearce	WIM	0	0	2.2	686	Clark	NEW	2	4	3.0	855	Fowler	LIV	2	9	9.5
301	Bosnich	AV	0	0	4.0	459	Hodgson	EVE	0	0	2.2	551	Reeves	WIM	0	0	1.8	687	Woun	NOT	2	5	3.4	856	Claridge	LEI	6	8	3.0
302	Flowers	BLA	1	4	5.2	460	Hinchcliffe	EVE	2	15	1.9	552	Thorn	WIM	0	0	1.8	688	Bart-Williams	NOT	2	5	3.6	857	Heskey	LEI	2	14	2.8
303	Kharin	CHE	6	21	3.7	461	Johson	LEE	5	12	2.7	553	Thatcher	WIM	10	11	2.7	689	Stone	NOT	2	3	5.0	858	Robins	LEI	0	1	2.0
304	Hiscock	CHE	5	5	1.5	462	Kelly	LEE	6	13	3.6	554	Thatcher	WIM	10	11	2.7	690	Gerrard	NOT	1	2	3.0	859	Canonica	MU	9	15	8.1
305	Wright	COV	5	5	1.5	463	Wedderburn	LEE	0	0	3.2	555	Thatcher	WIM	10	11	2.7	691	Parke	LEI	2	3	2.5	860	Scholes	MU	1	2	5.0
306	Wright	COV	5	5	1.5	464	Dorrie	LEE	0	0	1.2	556	Thatcher	WIM	10	11	2.7	692	Taylor	LEI	2	3	1.6	861	Cole	MU	1	1	6.2
307	Ogrizovic	COV	2	4	2.2	465	Famberton	LEE	6	12	2.2	557	Thatcher	WIM	10	11	2.7	693	Iszard	LEI	2	4	2.1	862	Fjorholt	MID	0	0	3.1
308	Filip	COV	0	0	1.5	466	Walsh	LEE	6	12	2.2	558	Thatcher	WIM	10	11	2.7	694	Waddle	SW	0	0	2.7	863	Ravallini	MID	16	31	8.0
309	Southall	EVE	2	12	3.0	467	Grayson	LEE	6	13	2.2	559	Thatcher	WIM	10	11	2.7	695	Waddle	SW	1	9	2.2	864	Barney	MID	2	5	6.7
310	Maryn	LEE	6	13	3.3	468	Whitlow	LEE	5	12	1.2	560	Hillier	ARS	0	2	1.5	696	Jones	SW	0	0	2.0	865	Beardsley	NEW	6	7	4.4
311	James	LIV	6	17	4.7	469	Whitlow	LEE	6	13	1.6	561	Taylor	AV	2	5	1.9	697	Waddle	SW	0	2	1.8	866	Aspinall	NEW	0	2	7.4
312	Poole	LEI	0	0	1.5	470	Whitlow	LEE	5	12	1.2	562	Twissand	AV	2	4	3.1	698	Waddle	SW	0	0	2.0	867	Beardsley	NEW	6	7	4.4
313	Hoult	DER	1	4	1.6	471	Babb	LIV	10	21	3.7	563	Draper	AV	5	8	4.1	699	Waddle	SW	0	2	1.8	868	Aspinall	NEW	0	2	7.4
314	Schmeichel	MU	6	12	5.5	472	Jones (R)	LIV	0	0	2.7	564	Dennis	BLA	1	4	3.0	700	Magilton	SOT	6	9	2.4	869	Fordland	NEW	19	22	8.6
315	Walsh	MID	0	0	3.0	473	Wright	LIV	0	0	1.6	565	Donis	BLA	1	4	3.0	701	Waddle	SOT	0	-1	2.7	870	Saunders	NOT	6	15	5.2
316	Smiechowski	NEW	2	8	3.7	474	Ruddock	LIV	1	1	3.0	566	Wilson	BLA	0	0	3.7	702	Waddle	SOT	1	8	2.2	871	Roy	NOT	0	0	4.8
317	Hiscock	NEW	0	1	3.7	475	Scalor	LIV	0	0	4.4	567	Ripley	BLA	1	4	3.0	703	M Gray	SUN	2	9	3.0	872	Campbell	NOT	7	21	3.1
318	Crosley	NOT	6	13	2.7	476	Harkness	LIV	0	0	2.2	568	Sherwood	BLA	1	3	3.4	704	Waddle	SUN	2	4	1.0	873	Booth	SW	7	15	4.4
319	Wright	NOT	0	0	1.3	477	Neville (G)	MU	5	6	3.7	569	Filtercott	BLA	1	3	3.0	705	Waddle	SUN	2	4	1.0	874	Booth	SW	7	15	4.4
320	Beasant	SOT	1	8	1.8	478	Neville (P)	MU	0	0	3.7	570	Gullit	CHE	0	0	4.4	706	Waddle	SUN	2	4	1.0	875	Booth	SW	7	15	4.4
321	Freeman	SW	2	9	2.7	479	Irvine	MU	6	17	4.1	571	Di Matteo	CHE	2	9	4.4	707	Waddle	SUN	2	4	1.0	876	Booth	SW	7	15	4.4
322	Coton	SUN	6	17	1.8	480	Pallister	MU	1	8	4.9	572	Gullit	CHE	2	9	4.4	708	Waddle	SUN	2	4	1.0	877	Booth	SW	7	15	4.4
323	Walter	TOT	2	13	3.4	481	Moy	MU	5	12	3.0	573	Wright	CHE	5	6	3.7	709	Waddle	SUN	2	4	1.0	878	Booth	SW	7	15	4.4
324	Mikolajczyk	WH	6	9	3.0	482	Vickers	MID	6	9	2.2	574	Newson	CHE	0	0	2.4	710	Waddle	SUN	2	4	1.0	879	Booth	SW	7	15	4.4
325	Sullivan	WIM	10	13	1.8	483	Peterson	MID	0	-2	2.2	575	Peacock	CHE	0	0	2.1	711	Waddle	SUN	2	4	1.0	880	Booth	SW	7	15	4.4
DEFENDERS																													
400	Dixon	ARS	1	12	3.1	484	White	MID	4	5	2.2	576	Teller	COV	1	3	1.8	712	Waddle	SUN	2	4	1.0	881	Booth	SW	7	15	4.4
401	Winterburn	ARS	5	18	3.1	485	Cor	MID	6	11	2.5	577	Richardson	COV	0	1	2.4	713	Waddle	SUN	2	4	1.0	882	Booth	SW	7	15	4.4
402	Bould	ARS	1	11	3.0	486	Albert	NEW	0	5	4.1	578	McAllister	COV	2	8	3.0	714	Waddle	SUN	2	4	1.0	883	Booth	SW	7	15	4.4
403	Adams	ARS	0	0	5.3	487	Howey	NEW	2	9	3.7	579	Jess	COV	1	4	2.2	715	Waddle	SUN	2	4	1.0	884	Booth	SW	7	15	4.4
404	Kearney	ARS	9	20	3.7	488	Peacock	NEW	2	2	3.0	580	Shannon	DER	1	8	1.2	716	Waddle	SUN	2	4	1.0	885	Booth	SW	7	15	4.4
405	Saunders	AV	4	15	3.0	489	Barton	NEW	0	0	3.3	581	Aspinovic	DER	1	4	2.2	717	Waddle	SUN	2	4	1.0	886	Booth	SW	7	15	4.4
406	Southgate	AV	6	6	2.2	490	Beresford	NEW	0	0	2.2	582	Van Der Laan	DER	0	1	1.5	718	Waddle	SUN	2	4	1.0	887	Booth	SW	7	15	4.4
407	McGrath	AV	0	0	3.0	491	Ebnerl	EVE	0	2	1.9	583	Ebnerl	EVE	0	2	1.9	719	Waddle	SUN	2	4	1.0	888	Booth	SW	7	15	4.4
408	Elghog	AV	11	22	3.0	492	Kanchelskis	EVE	2	8	6.7	584	Kanchelskis	EVE	2	8	6.7	720	Waddle	SUN	2	4	1.0	889	Booth	SW	7	15	4.4
409	Wright	AV	6	17	3.4	493	Parfitt	EVE	2	4	3.1	585	Parfitt	EVE	2	4	3.1	721	Waddle	SUN	2	4	1.0	890	Booth	SW	7	15	4.4
410	Tiler	AV	0	0	1.2	494	Swain	EVE	2	5	2.5	586	Swain	EVE	2	5	2.5	722	Waddle	SUN	2	4	1.0	891	Booth	SW	7	15	4.4
411	Berg	BLA	1	4	3.4	495	Grant	EVE	1	-3	2.2	587	Grant	EVE	1	-3	2.2	723	Waddle	SUN	2	4	1.0	892	Booth	SW	7	15	4.4
412	Le Sans	BLA	0	0	4.0	496	Lee	EVE	1	3	3.0	588	Lee	EVE	1	3	3.0	724	Waddle	SUN	2	4	1.0	893	Booth	SW	7	15	4.4
413	Coleman	BLA	1	4	3.4	497	Brown	LEE	2	12	3.0	589	Brown	LEE	2	12	3.0	725	Waddle	SUN	2	4	1.0	894	Booth	SW	7	15	4.4
414	Heandry	BLA	1	3	3.7	498	Walsh	LEE	1	1	1.8	590	Walsh	LEE	1	1	1.8	726	Waddle	SUN	2	4	1.0	895	Booth	SW	7	15	4.4
415	Kenna	BLA	1	4	1.9	499	Phelan	LEE	2	4	3.0	591	Phelan	LEE	2	4	3.0	727	Waddle	SUN	2	4	1.0	896	Booth	SW	7	15	4.4
416	Duberry	CHE	1	1	3.0	500	Beattie	LIV	5	12	3.0	592	Burges	LIV	5	12	3.0	728	Waddle	SUN	2	4	1.0	897	Booth	SW	7	15	4.4
417	Potrescu	CHE	6	21	3.0	501	Chariton	SOT	5	9	1.9	593	Chariton	LIV	1	1	5.2	729	Waddle	SUN	2	4	1.0	898	Booth	SW	7	15	4.4
418	Phelan	CHE	0	0	1.9	502	Notas	SW	2	9	1.9	594	Notas	LIV	7	16	5.9	730	Waddle	SUN	2	4	1.0	899	Booth	SW	7	15	4.4
419	Lebecuf	CHE	9	27	4.4	503	Aderton	SW	2	9	1.9	595	Aderton	LIV	4	10	3.7	731	Waddle	SUN	2	4	1.0	900	Booth	SW	7	15	4.4
420	Sinclair	CHE	0	0	2.2	504	Walsh	SW	2	9	1.9	596	McKinnon	LIV	7	16	5.9	732	Waddle	SUN	2	4	1.0	901	Booth	SW	7	15	4.4
421	Minto	CHE	0	10	1.5	505	Sieffers	SW	5	14	1.6	597	McAteer	LIV	4	10	3.7	733	Waddle	SUN	2	4	1.0	902	Booth	SW	7	15	4.4
422	Deisi	COV	1	0	2.7	506	McGillivray	SW	5	14	1.6	598	Thomas	LIV	1	4	3.0	734	Waddle	SUN	2	4	1.0	903	Booth	SW	7	15	4.4
423	Shaw	COV	1	3	2.2	507	McGillivray	SW	5	14	1.6	599	Giggs	MU	1	3	7.4	735	Waddle	SUN	2	4	1.0	904	Booth	SW	7	15	4.4
424	Burrows	COV	1	2	2.2	508	Kubicki	SUN	6	16	1.2	600	Boeckham	MU	6	16	5.2	736	Waddle	SUN	2	4	1.0	905	Booth	SW	7	15	4.4
425	Schmac	DER	0	4	3.3	509	Ball	SUN	6	16	1.2	601	Kearney	MU	0	4	6.5	737	Waddle	SUN	2	4	1.0	906	Booth	SW	7	15	4.4
426	Powell (C)	DER	1	4	1.8	510	Burt	TOT	2	13	3.7	602	Burt	MU	5	10	4.5	738	Waddle	SUN	2	4	1.0	907	Booth	SW	7	15	4.4
427	Vassall	DER	0	0	2.2	511	Sharpe	TOT	0	10	2.9	603	Sharpe	LEE	5	13	3.0	739	Waddle	SUN	2	4	1.0	908	Booth	SW	7	15	4.4
428	Short	EVE	2	12	3.0	512	Juninho	TOT	0	0	2.2	604	Juninho	MID	16	23	5.9	740	Waddle	SUN	2	4	1.0	909	Booth	SW	7	15	4.4
429	Shaw	EVE	0	5	2.7	513	Emerson	TOT	2	12	1.6	605	Emerson	MID	8	11	4.4	741	Waddle	SUN	2	4	1.0	910	Booth	SW	7	15	4.4
STRIKERS																													
500	Burrows	COV	1	2	2.2	514	Hignett	MID	0	0	2.5	606	Hignett	MID	0	0	2.5	742	Waddle	SUN	2	4	1.0	911	Booth	SW	7	15	4.4
501	Schmac	DER	0	4	3.3	515	Moore	MID	1	2	1.2	607	Moore	MID	1	2	1.2												







If it was feeble of the selectors to leave Phil Tufnell out all summer, it is brave of them to do a U-turn now

2 Bert, Porter v Rose County, Lewistown, G H  
 2 Sterling, Queen's Park v Montpelier  
 2 Four dreads: Derby v Sunderland, Swin-  
 2 more, Lincoln v Barnet, Dunsinaine v  
 1 Five essays: Leeds, Tottenham, Bol-  
 2 tondorf, St Johnston  
 2 Tom James: Manchester United, Newcas-  
 2 tle, Crystal Palace, Bradford  
 2 Scarborough, Aberdeen, Hibernian, Ayr

هكذا من الأصل







## SPORT

## INDEPENDENT FANTASY FOOTBALL

Last chance to register - See page 22

## England give reformed Tufnell one last chance

DEREK PRINGLE

Cricket Correspondent

It is not usual to take aboard complicated baggage when you intend to travel light. But if there were few surprises in England's 15-man squad to tour Zimbabwe and New Zealand, the recall of Phil Tufnell confirms that England still like to carry explosives when they go abroad.

Tufnell, a man whose behaviour on four overseas tours has ranged from the petulant to the psychotic, was thought unlikely to tour again after a succession of captains, including Graham Gooch and Mike Atherton, sought to wash their hands of his disruptive influence.

Although it is doubtful that Gooch has revised his doubts over the spinner, Atherton obviously has, at least for the moment. The "Cat" may be back, and although Illingworth would not be drawn into confirming it, he is on the last of his nine lives. For Tufnell, though, who has 74

## England squad to tour Zimbabwe and New Zealand

Player	Age	Caps	Notes
M A Atherton (Lancs, capt)	28	62	
N Hussain (Essex, v-capt)	28	12	
A J Stewart (Surrey)	33	58	
J P Thorne (Surrey)	27	32	
J P Crawley (Lancs)	24	12	
N V Knight (Warwick)	26	6	
R G Iremonger (Essex)	24	2	
R G Russell (Gloucestershire)	33	49	
R D B Croft (Gloucestershire)	25	4	
D G Cork (Derby)	25	16	
D Gough (York)	25	12	
A R Caddick (Somerset)	27	9	
C E W Silverwood (York)	21	0	
P C R Tufnell (Middlesex)	30	22	
A D Mullally (Leics)	27	6	

first-class wickets this season - a timely 13 of them last week against Lancashire - the selection will come as just reward for a corner turned and a season spent knocking down his cricket. It is a view shared by his county captain, Mike Gatting, whose subsequent eulogy helped secure the spinner his place.

It was a point Illingworth reinforced yesterday when he said: "Atherton spoke to Gatt last week and was assured that

Tufnell had improved in the direction that we wanted him to improve. His reference turned the scales, though the captain wasn't against him going."

For Illingworth, announcing his last team with a combination of ennui and relief, this was something of a climbdown from a statement earlier in the summer that it was not worth picking a player they would not choose for a tour. That they do so now either suggests David

Lloyd, who has agreed a new two-year deal as coach, is confident that he and John Emburey can get through to Tufnell, or that there are simply no proven alternatives of spinners who turn it away from the bat. That is something wrist-spinner Ian Salisbury's subsequent absence from either tour party would appear to confirm.

The two other surprises in the main squad - which apparently took less time to pick than the A team that sets off to Australia in six weeks' time with Adam Hogg as captain - were the appointment of Nasser Hussain as vice-captain and the inclusion of the 21-year-old Yorkshire seamer, Chris Silverwood.

Hussain's appointment to the post previously held by Alec Stewart will not surprise those who witnessed his captaincy of the England A team last winter. An astute tactician, he has always been consulted by Atherton, the man he apparently is being groomed to replace. "It's nothing against Alec; we're just

looking to the future," said Illingworth, perhaps unaware that Hussain is just five days younger than Atherton. "Mike is happy to carry on as long as things are going well and he is scoring runs. But if things went badly this winter or against Australia next year, he may think again, and that's when we'll look to appoint a younger captain."

Youth was also the reason given for Silverwood's elevation from county to country, a haul of 42 wickets at an average of 30 not normally being sufficient to clinch a berth on a senior tour in your first full season of county cricket. "We decided to take one young one who we believed has a future in the game," Illingworth said. "He is a genuinely nice lad who just gets on and bowls. He enjoys his cricket and will do all right. He won't let anyone down."

This reasoning appears flawed, however, and if England hope to turn Silverwood into a top Test bowler, "nice" should not come into it. Richard Hadlee,

## England A squad to tour Australia

Player	Age	Caps	Notes
A J Hogg (Surrey, capt)	25	25	
J E R Giffen (Lancs)	25	25	
M A Butcher (Surrey)	24	24	
M P Vaughan (York)	21	21	
A McGrath (York)	20	20	
O A Shah (Middlesex)	17	17	
C White (York)	26	26	
M A Ealham (Kent)	27	27	
W K Hogg (Lancs)	28	28	
D W Headley (Kent)	26	26	
G Chapple (Lancs)	22	22	
A J Harris (Derby)	23	23	
A F Giles (Warwick)	23	23	
P M Such (Essex)	32	32	

Dennis Lillee and Malcolm Marshall were hardly known or picked for their niceness.

Silverwood is the epitome of an English bowler: hard-working, with occasional outbreaks of swing and seam, a stereotype England must resist if they are to compete successfully away from home. If England really wanted to be progressive, they should have taken Ashley Cowan. True, the young Essex pace-man went wicketless at Lord's last

Willis era. Cork will go on both legs of the tour, but will do little bowling outside the Tests, leaving the bulk of it to Mullally, Caddick, Gough and Silverwood. Instead, he will spend more time doing remedial exercises to bulk up the muscles around his wonky knees.

Essex's Ronnie Iram won the battle of the all-rounders, apparently beating both Hogg and Mark Ealham on the strength of his batting and attitude. Ealham joins Hogg in the A team, a squad which combines youth and inexperience in the form of the 17-year-old Middlesex player Owais Shah with the experience of players like Essex's 32-year-old off-spinner Peter Such. In the best traditions of Edith Piaf, Illingworth said he had no regrets over his term as chairman of selectors. "I think we're a bit better now than when I started," he said. "I expect us to win, and win well, this winter. Otherwise, we've got problems." Scrapper Silverwood, Page 24

## Leeds quick to usher in Graham

Football

PHIL SHAW

With almost indecent haste, Leeds United confirmed George Graham as their new manager yesterday. Barely 24 hours after Howard Wilkinson's tenure was terminated at a news conference, the former Arsenal manager told a similar gathering of his determination to challenge for the championship again.

Graham, whose year-long ban from football ended in June, had been out of the game for 14 months since being found guilty of misconduct in the Rune Hauge "bungs" affair. He will oversee training today and study videos of their recent games before Saturday's visit to Coventry.

Bill Fotherby, the Leeds chairman, insisted he had not met the 51-year-old Scot until 7am that morning. Graham has accepted a two-and-a-half-year contract on a salary of £300,000. He said he had been "dying to get back, but obviously to the right job, somewhere near the top of the League and where the expectations are big."

Fotherby admitted the board had considered Graham's self-confessed folly in accepting "unsolicited gifts" of £425,000 from Hauge, a Norwegian agent. "We discussed what hap-

pened to him," he said, "but decided it wasn't relevant."

Chris Akers, the chairman of the Caspian Group which bought control of Leeds during the summer, said they had acted quickly because they did not want "a void". He added: "When we took over we looked at Howard Wilkinson's record and wanted to stick with him. But it didn't work out. It was a case of seeing whether he could turn things round. Unfortunately he couldn't."

Graham is expected to try to lure Stewart Houston from his caretaker manager's role at Highbury as his No 2. David O'Leary is also tipped to join his backroom team, while some of Caspian's £10m kitty for signings may go on Arsenal's Steve Bould and Ian Wright.

"I've got to stamp my way of working on my staff and players, and bring in some new blood," Graham said. "Sometimes people get stale at their job, and it needs an infusion of new ideas."

"I'd like us to be challenging for the championship and go for trophies. I did that in my last job. I'm not promising overnight success because I don't believe in it. Success is built with good foundations and a lot of hard work on the training pitch."

Graham paid tribute to

Wilkinson, whose eight-year reign ended after a 4-0 defeat by Manchester United. "Howard did a great job for Leeds, and the fans should remember the good times. There's always sadness when a manager leaves. That's the way of our profession, but life goes on in football."

Leeds, who have failed to build on their title success of 1992, were clearly attracted by Graham's record. In his nine years at Arsenal, they won the championship twice, the FA Cup and League Cup "double", and the European Cup-Winners' Cup.

Yet his teams were also labelled "boring", and despite his reputation as a disciplinarian there were problems with drink-driving (Tony Adams), alcoholism and gambling (Paul Merson) and spitting (Wright). Before his sacking, 19 months ago, some observers felt Graham had become a lame-duck manager. Results were poor and the Hauge scandal persisted.

Leeds supporters, however, are used to their team being unloved; and Don Revie, their most successful manager, was no stranger to allegations of financial misdemeanours. Speaking on Radio Five Live, one fan welcomed Graham, saying: "Boring, boring Leeds will do me as long as we're winning trophies."



Back in work: George Graham is a happy man at Elland Road yesterday after being named as the Leeds manager

Photograph: Paul Parker/PA

## Saunders supports Crossley for Wales

Dean Saunders has urged the Wales manager, Bobby Gould, to give his Nottingham Forest team-mate Mark Crossley the chance to fulfil his international ambitions.

Crossley was said to be attracting the interest of the Scotland manager, Craig Brown, last season, although Frank Clark, the Forest manager, discounted such stories, which he claimed were affecting the form of the Barnsley-born goalkeeper.

Now the 27-year-old Crossley has revealed that he is also qualified to play for Wales as well as England, and Saunders has expressed his wish to play alongside his club keeper in the national side as Wales attempt to qualify for the 1998 World Cup finals.

"I don't know what Mark wants to do, but I am trying to get him to play for Wales

and I will be having a word with Bobby Gould," Saunders said.

"I'm sure we would love to have him playing for us. He's in the top bracket in the Premier League. The save he produced on Saturday late on against Leicester's Ian Marshall was the equivalent of a last-minute winner."

Crossley admitted: "I'm desperate to play international football, whoever it might be for. Nothing came of the Scotland thing, but I'm qualified on three fronts."

"I was born in England, my grandmother was Scottish - and she was married to a Welshman, which means I can play for them as well."

"My form did dip at the end of last season for various reasons but I sorted things out in the summer, signed a new contract and am getting back to my

best. I've got no shortage of faith in my ability."

Clark, the Forest manager, said: "The story about Mark being wanted by Scotland caused embarrassment to Craig Brown. I know Craig and he would not contact any of my players without coming through me. It was a story put about by certain people who I won't name, but it did Mark no favours."

"The publicity got to him a bit, the contract situation became a bigger issue because of it and towards the end of last season he was off his game. He has come through all that and I'd be delighted if he was picked now by someone."

"People talk about their international hopes, but they will take care of themselves if they perform. If you are on top of your form, all the international managers will come running," Clark added.

## Arsenal still waiting on Wenger

Arsenal have yet to discover when their manager-elect, Arsène Wenger, will take control at Highbury, according to the Frenchman's current club, Grampus Eight.

The Gunners played Borussia Mönchengladbach in a UEFA Cup first-round first leg tie at Highbury last night still under the control of the caretaker-manager, Stewart Houston, who may join George Graham at Leeds United.

The Japanese club said negotiations over the date of Wenger's departure have not yet been completed. "Talks between him and the team have

been going on," the Grampus spokesman, Masaharu Teshima, said.

"We are in the final stages of negotiations. The biggest question now is when he leaves. We will have problems if he leaves the team early."

"Who will replace Wenger? When can we have a new coach? These are the problems which need to be cleared."

Teshima said Grampus, who play in Japan's J-League, wanted the 47-year-old former Monaco coach to see out his two-year contract, which expires in January. Wenger played 11 profes-

sional matches at Strasbourg before launching a highly successful career in management, first with the north-eastern French club, then at nearby Nancy.

He was appointed chief coach at Monaco in 1987, guiding them to the French title after signing the now England coach, Glenn Hoddle, and the former England striker Mark Hateley.

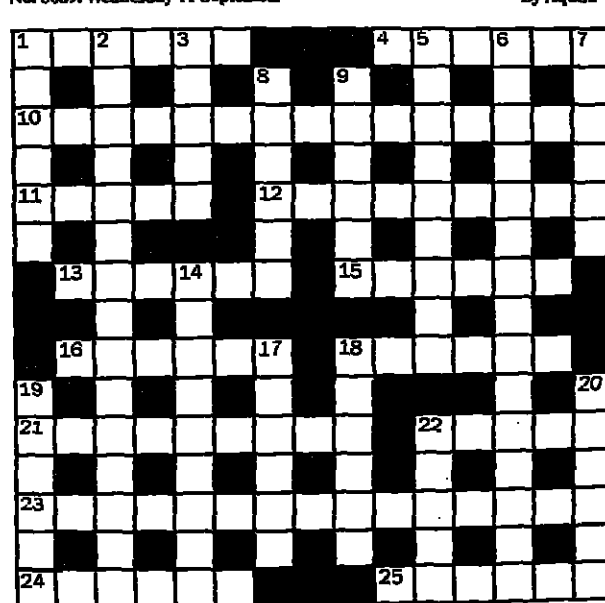
Arsenal, who sacked Bruce Rioch the week before the Premiership season began, are currently eighth in the table under the caretaker stewardship of Houston following Saturday's 2-2 draw with Aston Villa.

## THE INDEPENDENT CROSSWORD

No. 3089, Wednesday 11 September

By Aquila

Tuesday's Solution

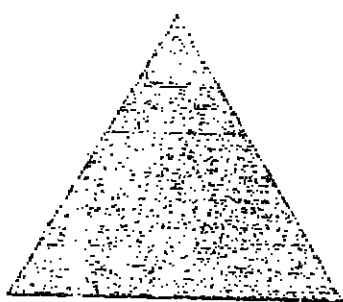


- ACROSS**
- A king in check at Hastings? (6)
  - Came across brick-carrier in practice (6)
  - Gibbons' holding of little or no cheer (4,7,4)
  - Throughout the period before a French bed is turned back (5)
  - Instrumental component in treason or unrest (9)
  - Use too much of accomplished act (6)
  - Power-out outside, where join occurs (6)
  - Saws these days take a long time (6)
  - Over educated type and pet convert (6)
  - Moustache with which to manage pub? (9)
  - Stitches sails (5)
  - Two tourists help out with electioneering round (7-4,4)
  - They announce a thriller-writer (6)
  - Fraught with danger following female so kittenish (6)
- DOWN**
- Drinker's sound from this Roman vessel (6)
  - Need versatility, perhaps, to show what makes blood thicker than water? (8,7)
  - Call round, wandering in the parish (5)
  - Complicated kind of junction before bend in final (9)
  - Keen to maintain fitness? Awake to toast! (6-9)
  - Sty, flightless bird in red variety (6)
  - Thing starting? More by arrangement! (6)
  - Beasts of the field (6)
  - Controller on watch? (9)
  - Black Sea's first martens (6)
  - Correspondence of political organization takes one in (6)
  - Wish's improved baby-protectors (6)
  - Large bird in quarry (6)
  - Alcoholic better half taking in work (5)

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